

# **MSINGA MUNICIPALITY**



## **ANNUAL REPORT 2013**

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**MSINGA MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 June 2013**

In terms of section 126 (1) of the Municipal Finance Management Act ,  
I am responsible for the annual financial statements, which are set out on  
pages 5 to 39, and which I have signed on behalf of the municipality.

I certify that the salaries, allowances and benefits of Councillors as  
disclosed in note 16 of these annual financial statements are within the  
upper limits of the framework envisaged in Section 219 of the Constitution,  
read with the Remuneration of Public Officer Bearers Act and the Minister of  
Provincial and Local Government's determination in accordance with this  
Act.

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**MUNICIPAL MANAGER**

31 August 2013  
**Date**

# Annual Financial Statements

for

## Msinga Municipality

for the PERIOD ended 30 JUNE : 2013

Province: KwaZulu Natal

AFS rounding: ***R (i.e. only cents)***

### Contact Information:

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**Msinga Municipality**  
**Financial Statements**  
**for the year ended 30 June 2013**  
**General information**

**Members of the Council**

FJ Sikhakane	Mayor
SG Masimula	Honourable Speaker
TL Kunene	Deputy Mayor
B Mthethwa	Member of the Executive Committee
RN Ngubane	Member of the Executive Committee
MPS Mshibe	Member of the Executive Committee
JM Ntuli	Member of the Executive Committee
B Dumakude	Member of the Executive Committee

**Municipal Manager**

FB Sithole

**Chief Financial Officer**

**JS Pansegrouw**

**Grading of Local Authority**

Grade 2

**Auditors**

Auditor-General South Africa

**Bankers**

ABSA Bank

Effective 1st July 2001

**Msinga Municipality**  
**Financial Statements**  
**for the year ended 30 June 2013**

**General information (continued)**

**Registered Office:** Tugela Ferry

**Physical address:** Main Road  
Tugela Ferry

**Postal address:** Private Bag X530  
Tugela Ferry  
3010

**Telephone number:** 033-4930761

**Fax number:** 033-4930766

**E-mail address:** [fanozi.sithole@msinga.org](mailto:fanozi.sithole@msinga.org)

**Msinga Municipality**  
**FINANCIAL STATEMENTS**  
**For the year ended 30 June 2013**

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**MSINGA LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2013**

	<u>Note</u>	<u>2013</u> <u>R</u>	<u>2012</u> <u>R</u>
<b>ASSETS</b>			
Current assets		79 300 060	78 471 364
Cash and cash equivalents	2	73 455 310	76 032 161
Trade receivables from exchange transactions	3	109 968	106 435
Other receivables from non-exchange transactions	4		50 667
Other loans	5	14 000	33 267
VAT receivable	6	5 720 782	2 248 834
<b>Non-current assets</b>		106 427 148	86 247 850
roperty, plant and equipment	7	106 427 148	86 247 850
<b>Total assets</b>		<u>185 727 208</u>	<u>164 719 214</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		21 896 063	30 528 156
Trade and other payables	8	2 460 591	2 267 618
Unspent conditional grants and receipts	9	19 435 472	28 260 538
<b>Total liabilities</b>		<u>21 896 063</u>	<u>30 528 156</u>
<b>Net assets</b>		<u>163 831 145</u>	<u>134 191 058</u>
<b>NET ASSETS</b>			
		163 831 145	134 191 058
Accumulated surplus	10	163 831 145	134 191 058
<b>Total net assets</b>		<u>163 831 145</u>	<u>134 191 058</u>



**MSINGA LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
as at 30 June 2013

<b>REVENUE</b>	<b><u>NOTE</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Property rates	12	2 471 507	1 966 950
Service charges	13	20 940	20 941
Rental of facilities and equipment		382 743	266 534
Interest earned - external investments	15	4 042 757	3 594 158
Government grants and subsidies	14	102 542 385	94 479 922
Other income		103 045	399 153
Gain on disposal of Property, Plant and Equipment		2 141	
<b>Total Revenue</b>		<u>109 565 518</u>	<u>100 727 658</u>
<b>EXPENDITURE</b>			
Employee related costs	16	15 545 402	12 590 937
Remuneration of Councillors	17	8 084 267	7 525 425
Bad debts	3,5	519 659	467 605
Depreciation	7	10 868 079	8 229 569
Repairs and maintenance		7 151 318	8 426 157
Contracted services	20	1 574 800	1 393 758
Grants and subsidies paid	18	6 835 635	4 980 529
General expenses	19	29 346 271	29 008 648
<b>Total Expenditure</b>		<u>79 925 431</u>	<u>72 622 628</u>
<b>Surplus for the year</b>		<u>29 640 087</u>	<u>28 105 030</u>

**MSINGA LOCAL MUNICIPALITY**  
**STATEMENT OF CHANGES IN NETT ASSETS**  
**as at 30 June 2013**

	Accumulated Surplus	Total
	R	R
2013		
Balance at 30 June 2012	134 191 058	134 191 058
Surplus for the year	29 640 087	29 640 087
Balance at 30 June 2013	163 831 145	163 831 145
2012		
Balance at 30 June 2011	106 086 028	106 086 028
Surplus for the year	28 105 030	28 105 030
Balance at 30 June 2012	134 191 058	134 191 058

**MSINGA LOCAL MUNICIPALITY  
CASH FLOW STATEMENT  
for the year ended 30 June 2013**

	<u>Note</u>	<u>2013</u> <u>R</u>	<u>2012</u> <u>R</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from consumers and government		103 121 457	98 993 458
Cash paid to suppliers and employees		<u>(78 695 688)</u>	<u>(64 440 556)</u>
Cash generated from operations	21	24 425 769	34 552 902
Interest received	15	4 042 757	3 594 158
<b>Net cash flows from operating activities</b>		<u>28 468 526</u>	<u>38 147 060</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(31 047 517)	(25 703 100)
Purchase of intangible assets			
Proceeds from sale of fixed assets		2 140	
<b>Net cash flows from investing activities</b>		<u>(31 045 377)</u>	<u>(25 703 100)</u>
<b>CASH FLOWS FROM FROM FINANCING ACTIVITIES</b>			
New loans raised (repaid )			
Increase (decrease ) in consumer deposits			
Increase (decrease ) in short term loans			
<b>Net cash flows from financing activities</b>			
<b>NET INCREASE (DECREASE ) IN CASH AND CASH EQUIVALENTS</b>		<u>(2 576 851)</u>	<u>12 443 960</u>
Net increase / (decrease) in net cash and cash equivalents		(2 576 851)	12 443 960
Net cash and cash equivalents at beginning of period		<u>76 032 161</u>	<u>63 588 201</u>
<b>Net cash and cash equivalents at end of period</b>	2	<u>73 455 310</u>	<u>76 032 161</u>

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

**1 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Presentation of Annual Financial Statements**  
**BASIS OF PRESENTATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise, they are presented in South African Rand.

These annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP). Issued by the Accounting Standards Board in accordance with Section 122 (3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's annual financial statements, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant policy.

**Standards, amendments to standards and interpretations effective for financial periods commencing on or after 1 April 2012.**

In the current year, the municipality has adopted the following interpretations that are effective for the current financial year and that are relevant to its operations.

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Cost
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investment in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue From Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
CRAP 19	Provisions, Contingent Liabilities and Contingent Asset

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 26	Impairment of Cash-generation Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets
GRAP103	Heritage Assets
GRAP 104	Financial Instruments

The following GRAP standards have been approved but are not yet effective. Application of all the GRAP standards noted below will be effective from a date to be announced by the Minister of Finance.

GRAP 25	Employee Benefits – issued March 2009
GRAP 105	Transfer of functions between entities under common control – issued November 2010
GRAP 106	Transfer of functions between entities not under common control – issued November 2010
GRAP 107	Mergers – issued November 2010

The municipality expects to adopt the standards for the first time once effective.

Management have considered all of the above-mentioned GRAP standards and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

**Standards, amendments to standards and interpretation not yet effective or relevant**

The following GRAP standard has been approved but an effective date has not been determined.

GRAP 18	Segment Reporting – issued February 2011
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Compliance with this standard would have had an effect on the presentation only. Financial information would have been reported by segments. The disclosure of this information will assist users of the financial statements to better understand the entity's past performance and to identify the resources allocated to support the major activities of the entity.

**Presentation Currency**

These annual financial statements are presented in South African Rand, which is the functional currency of the Municipality.

**Going Concern Assumption**

These annual financial statements have been prepared on a going concern basis.

**1.1 Significant judgments and sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and

assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

the formation of estimates. The areas where assumptions and estimates are insignificant to the financial statements are set out below.

**Debtors receivable**

The municipality assesses its debtors receivable for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated cash flows from the financial asset.

**Useful lives of property, plant and equipment**

Management estimates the remaining useful lives and condition of significant items of property, plant and equipment on an annual basis. In determining whether an impairment loss should be recorded in the surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a significant impairment of respective assets.

During the year under review no significant assets have been impaired as the municipality is currently in the process of rehabilitating most of its infrastructure assets.

**Provisions**

Provisions are recognized when the Municipality has a present or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the municipality.

**Impairment testing**

The municipality reviews and test the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

**Allowances for doubtful debt**

The provision for impairment is measured as the difference between the assets carrying amount and the present value of estimated future cash flow discounted at the effective interest rate computed at initial recognition. An impairment loss is recognized in surplus and deficit when there is objective evidence that an asset is impaired. The impairment is measured with reference to historical data and payment trend analysis per group of customers.

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

**2. PROPERTY, PLANT AND EQUIPMENT**

**2.1 INITIAL RECOGNITION**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

**2.2 SUBSEQUENT MEASUREMENT -REVALUATION MODEL (LAND, BUILDINGS, and other Infrastructure assets)**

Subsequent to initial recognition, land, buildings, and other infrastructure assets are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

**2.3 DEPRECIATION AND IMPAIRMENT**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

<b>Infrastructure</b>		<b>Other</b>	
			3
Roads and Paving	10-20	Buildings	0
Pedestrian Malls	30	Air Conditioners	7
Electricity	25	Vehicles and tractors	7
Water	20	Office equipment	5
			1
Sewerage	20	Furniture and fittings	0
<b>Community</b>		Machinery and Equipm	7
Buildings	30	Tools	5
Recreational Facilities	10	Radio	5
		Computer equipment	3

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

## **2.4 DERECOGNITION**

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **3. INVESTMENT PROPERTY**

### **3.1 INITIAL RECOGNITION**

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

### **3.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL**

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.



**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Land is not depreciated.

**FINANCIAL INSTRUMENTS**

**4.1 INITIAL RECOGNITION**

Financial instruments are initially recognised at fair value.

**4.2 SUBSEQUENT MEASUREMENT**

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

**4.3 INVESTMENTS**

Investments, which include short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

**4.4 TRADE AND OTHER RECEIVABLES**

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

**4.5 TRADE PAYABLES AND BORROWINGS**

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

**4.6 CASH AND CASH EQUIVALENTS**

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

**5. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**6. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**7. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**8. PROVISIONS**

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

**9. LEASES**

**9.1 MUNICIPALITY AS LESSEE**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

**9.2 MUNICIPALITY AS LESSOR**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**10. REVENUE**

**10.1 REVENUE FROM EXCHANGE TRANSACTIONS**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered, the value of which approximates the consideration received or receivable.

Service charges relating to electricity are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on normal consumption.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

## **10.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

## **10.3 GRANTS, TRANSFERS AND DONATIONS**

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

**12. RETIREMENT BENEFITS**

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

**13. CONSTRUCTION CONTRACTS AND RECEIVABLES**

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**MSINGA LOCAL MUNICIPALITY**  
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**2 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of the following:

Cash on hand	296	
Cash at bank	5 951 306	11 824 897
Call deposits	67 503 708	64 207 263
	<u>73 455 310</u>	<u>76 032 160</u>

The Municipality has the following bank accounts:

Current account (Primary bank account)  
Absa Bank - Newcastle Branch  
Account number - 4053635886

Cash book balance at beginning of year	11 824 897	2 659 431
Cash book balance at end of year	5 951 306	11 824 897
Bank statement balance at beginning of year	18 874 136	8 849 954
Bank statement balance at end of year	9 499 372	18 874 136

Bank statement balance at end of year

**3 Trade receivables from exchange transactions**

	Gross Balance	Provision for doubtful debts	Net balance
Balances at 30 June 2013			
Service debtors			
Rates	7 271 431	7 271 431	0
Other	305 378	195 410	109 968
Total	<u>7 576 809</u>	<u>7 466 841</u>	<u>109 968</u>

Balances at 30 June 2012

Service debtors			
Rates	6 831 436	6 831 436	0
Other	272 847	166 412	106 435
Total	<u>7 104 283</u>	<u>6 997 848</u>	<u>106 435</u>

Rates: Ageing

Current ( 0 - 30 days)	36 754	36 754
31 - 60 days	36 754	36 754
61 to 90 days	36 754	36 754
91 - 120 days	36 754	36 653
121 days and over	7 124 415	6 684 521
Total	<u>7 271 431</u>	<u>6 831 436</u>

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Refuse and other : Ageing		
Current ( 0 - 30 days)	(46 918)	(48 423)
31 - 60 days	3 383	2 669
61 to 90 days	3 308	2 669
91 - 120 days	3 179	2 602
121 days and over	342 425	313 329
Total	305 377	272 846

Summary of debtors by customer classification

	Domestic and other Consumers	Industrial / Commercial	Government
Balances at 30 June 2013			
Current ( 0 - 30 days)	(42 489)		32 325
31 - 60 days	7 811		32 325
61 to 90 days	7 736		32 325
91 - 120 days	7 608		32 325
121 days and over	1 089 446		6 377 397
Total	1 070 112		6 506 697

	Domestic and other Consumers	Industrial / Commercial	Government
Balances at 30 June 2012			
Current ( 0 - 30 days)	(43 994)		32 325
31 - 60 days	7 098		32 325
61 to 90 days	7 098		32 325
91 - 120 days	6 930		32 325
121 days and over	1 008 354		5 989 496
Total	985 486		6 118 796

**4 Other receivables from non - exchange transactions**

Other	50 667	50 667
Less: Provision for Bad Debt	(50 667)	
Total other receivables		50 667

**5 Long Term Receivables**

Pre-paid expenses	14 000	33 267
Sundry loans		972 193
Provision Bad Debts		(972 193)
	14 000	33 267
Less: Current portion transferred to current receivables	(14 000)	(33 267)
	0	0

**6 VAT**

VAT receivable	5 720 782	2 248 834
	5 720 782	2 248 834

VAT is payable on the payments basis

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 Property, Plant and Equipment**

Reconciliation of carrying value	Land and buildings	Infra-structure	Community	Other	Total
Carrying value at 1 July 2012	14 214 867	63 320 256	3 271 344	5 441 382	86 247 849
Cost	17 399 362	82 568 210	3 630 284	17 585 651	121 183 507
- Cost	(3 184 495)	(19 247 954)	(358 940)	(12144269)	(34 935 658)
- Revaluation					
Acquisitions		25 248 752	1 890 744	3 908 021	31 047 517
Transfer		(1 316 169)	1 316 169		0
Capital under construction					
Increases (decreases ) in revaluation					
Depreciation					
- transfer		343 897	(346 885)	2 988	0
- based on cost	(612 997)	(8 300 229)	(528 720)	(1 426 134)	(10 868 080)
Carrying value of disposals					
Cost/revaluation		(4 622)		(1 135 473)	(1 140 095)
Accumulated depreciation		4 622		1 135 334	1 139 956
Carrying value at 30 June 2013	13 601 870	79 296 507	5 602 652	7 926 118	106 427 147
Cost	17 399 362	106 496 171	6 837 197	20 358 199	151 090 929
- Cost	(3 797 492)	(27 199 664)	(1 234 545)	(12432081)	(44 663 782)
- Revaluation					
Reconciliation of carrying value	Land and buildings	Infra-structure	Community	Other	Total
Carrying value at 1 July 2011	14 349 415	49 512 015	0	4 916 594	68 778 024
Cost	16 977 727	62 746 477	4 622	15 751 582	95 480 408
- Cost	(2 628 312)	(13 234 462)	(4 622)	(10834988)	(26 702 384)
- Revaluation					
Acquisitions	141 379	22 348 542	1 381 705	1 831 473	25 703 099
Transfer	280 256	(2 526 809)	2 243 957	2 596	0
Depreciation					
- transfer	51 290	123 419	(114 296)	(64 119)	(3 706)
- based on cost	(607 473)	(6 136 911)	(240 022)	(1 245 162)	(8 229 568)
- based on revaluation					
Carrying value of disposals					
Cost/revaluation					
Accumulated depreciation					
Carrying value at 30 June 2012	14 214 867	63 320 256	3 271 344	5 441 382	86 247 849
Cost	17 399 362	82 568 210	3 630 284	17 585 651	121 183 507
Revaluation					
Accumulated depreciation					
- Cost	(3 184 495)	(19 247 954)	(358 940)	(12144269)	(34 935 658)



**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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- Revaluation

**8 Trade and other payables**

Trade creditors	1 088 373	769 629
Retention	774 011	985 674
Payments received in advance		1 525 904
Staff leave	580 766	497 553
Deposits other	670	670
VAT	16 771	14 092
	<u>2 460 591</u>	<u>3 793 522</u>

**9 Unspent Conditional Grants and Receipts**

3.1 Conditional grants from other spheres of government	19 435 472	28 260 538
Total conditional grants and receipts	<u>19 435 472</u>	<u>28 260 538</u>

**Disclosure of grants and subsidies in terms of section 123 of MFMA ,Act 56 of 2003**

**Unspent Conditional Grants and Receipts**

Grants - general	1 178 104	1 178 104
Grant - construction of shelters	243 769	243 769
Int Dev I - Structure Grant	100 936	100 936
MIG-Roads	3 015 605	2 293 368
Transition grant	2 518 464	2 518 464
Tourism grant	1 581 159	1 222 159
Municipal support grant	1 527 742	1 647 027
Grants - general	2 158 274	3 450 000
Grant -Integrated development plan	203 575	217 120
Spacial dev Framework	100 000	100 000
Implementation of M F M Act	145 000	145 000
Inter departmental monitoring grant	100 000	100 000
Grant - LUMS	237 223	237 223
Grant - Project Consolidate	1 478 507	1 847 347
Grant - community development workers	128 890	128 890
Housing grant - Pomeroy project	108 677	108 677
Grant - LED capacity building	246 604	246 604
Internal control & Audit committee	21 802	21 802
Housing grant - Kwalatha project	(23 820)	(23 820)
Resol phase 1	145 000	145 000
Info Investment programme	200 000	200 000
Sportsfields	895 459	592 192
E - Learning	209 045	209 045
Electrification programme	0	8 628 631
Intern corporate	108 000	36 000
Thusong Centres	531 015	1 167 000
Sweet potato project	1 500 000	1 500 000
EPWP grant	776 441	
	<u>19 435 471</u>	<u>28 260 538</u>

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

**MIG Grant**

Balance unspent at beginning of year	2 293 368
Current year receipts	26 965 000
Conditions met - transferred to revenue	<u>(26 242 763)</u>
<b>Conditions still to be met - remain liabilities</b>	<u><u>3 015 605</u></u>

**Finance Management Grant**

Balance unspent at beginning of year	0
Current year receipts	1 500 000
Conditions met - transferred to revenue	<u>(1 500 000)</u>
Conditions still to be met - remain liabilities	<u><u>0</u></u>

**MSIG grant**

Balance unspent at beginning of year	0
Current year receipts	800 000
Conditions met - transferred to revenue	<u>(800 000)</u>
Conditions still to be met - remain liabilities	<u><u>0</u></u>

**Grant - sportsfields**

Balance unspent at beginning of year	592 192
Current year receipts	1 200 000
Conditions met - transferred to revenue	(1 265 573)
Transfer	<u>368 840</u>
Conditions still to be met - remain liabilities	<u><u>895 459</u></u>

**Grant - electrification program**

Balance unspent at beginning of year	8 628 631
Current year receipts	
Conditions met - transferred to revenue	(2 120 357)
Grant returned to National Treasury	(8 000 000)
Transfer	<u>1 491 726</u>
Conditions still to be met - remain liabilities	<u><u>0</u></u>

**Grant - EPWP**

Balance unspent at beginning of year	0
Current year receipts	1 000 000
Conditions met - transferred to revenue	<u>(223 559)</u>
Conditions still to be met - remain liabilities	<u><u>776 441</u></u>

**MSINGA LOCAL MUNICIPALITY**  
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**Grant - Thusong Centres**

Balance unspent at beginning of year	1 167 000
Current year receipts	
Conditions met - transferred to revenue	(635 985)
Conditions still to be met - remain liabilities	<u>531 015</u>

**Other Government Grants and Subsidies**

<b>Balance unspent at beginning of year</b>	15 579 347
Current year receipts	631 000
Conditions met - transferred to revenue	(132 830)
Transfer	(1 860 566)
Conditions still to be met - remain liabilities	
	<u>14 216 951</u>

These amounts are invested in a ring - fenced investment until utilised.

**10 ACCUMULATED SURPLUS**

The following internal reserves are ring fenced within the Accumulated Surplus :

**Government Grant Reserve**

Balance at 30 June 2012	82 327 369	66 390 845
Capital grants used to finance Property, Plant and Equipment	27 259 172	23 745 185
Offsetting of Depreciation	(10 166 679)	(7 808 661)
Balance at 30 June 2013	<u>99 419 862</u>	<u>82 327 369</u>
Other surplus funds	64 411 284	51 863 689
Total Accumulated Surplus	<u>163 831 146</u>	<u>134 191 058</u>

**11 Call Investment Deposit**

Other deposits	67 503 507	64 207 263
Less: Short term investments transferred to Cash and Cash Equivalents	(67 503 507)	(64 207 263)
	<u>0</u>	<u>0</u>

**12 Property Rates**

Actual		
Residential		
Commercial		
State		
Other	2 471 507	1 966 950

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Total assessment rates		2 471 507	1 966 950
Valuations			
Residential			
Commercial			
State			
Municipal			
Other			
Total property valuations			0
13	Service Charges		
	Refuse removal	20 940	20 940
		20 940	20 940
14	Government Grants and Subsidies		
	Equitable share	69 621 000	58 981 000
	Skills levy	317	29 917
	Conditional grants utilised	32 921 067	35 469 005
		102 542 384	94 479 922
15	Interest		
	Investment income	3 296 443	3 278 492
	Interest on current account	746 313	315 666
		4 042 756	3 594 158
16	Employee Related Costs		
	Employee related costs - salaries and wages	11 589 565	9 757 257
	Employee related costs - contributions to UIF, pension and medical costs	1 776 195	1 033 292
	Travel, vehicle, accommodation, subsistence and other allowances	1 001 779	759 217
	Housing benefits and allowances	6 264	6 087
	Overtime payments	305 708	230 683
	Annual Bonus	865 891	804 401
	Total employee related costs	15 545 402	12 590 937
	There were no advances to employees. Loans to employees are set out in note 13.		
	Remuneration of the Municipal Manager		
	Annual remuneration	639 419	634 794
	Performance bonus		253 227
	Car allowance	120 000	120 000
	Contributions to Medical, Pension and UIF Funds	41 040	41 040
		800 459	1 049 061

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

Remuneration of the Chief Financial Officer

Annual remuneration	732 350	723 630
Performance bonus		
Car allowance		

Remuneration of other managers

2013

	Corporate Services	Engineering Services	Director Develop/plan
Annual remuneration	402 905	377 631	408 321
Performance bonus			
Car allowance	84 000	72 000	52 800
	<u>486 905</u>	<u>449 631</u>	<u>461 121</u>

2012

	Corporate Services	Engineering Services	Director Development
Annual remuneration	375 128	351 980	400 499
Performance bonus	9 482	234 498	317 497
Car allowance	84 000	72 000	52 800
	<u>468 610</u>	<u>658 478</u>	<u>770 796</u>

17 Remuneration of Councillors

Mayor	348 449	326 869
Deputy Mayor	343 850	263 845
Speaker	281 978	263 845
Executive committee members	1 857 352	1 750 263
Councillors	5 252 638	4 920 603
	<u>8 084 267</u>	<u>7 525 425</u>

In - kind benefits

The Mayor and the Speaker are provided with an office and secretarial support at the cost of Council.

The Mayor has use of a Council owned vehicle for official duties

18 Grants and Subsidies Paid

Free basic services	6 835 635	4 980 529
	<u>6 835 635</u>	<u>4 980 529</u>

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

19	General Expenses		
	Advertising	419 784	252 271
	Audit fees	867 612	408 436
	Audit: internal	628 365	749 831
	Admin fees	34 111	38 745
	Bank charges	373 604	233 361
	Awareness programme	1 558 351	1 454 569
	Conference and seminars	47 576	87 436
	Aids awareness	21 158	93 048
	Disaster management	120 546	85 992
	Electricity	540 733	341 723
	Entertainment	169 600	167 110
	Insurance	575 418	441 250
	Indigent support	96 294	108 395
	Legal fees	86 452	32 399
	Licences	51 186	71 598
	Emergency fund	2 684 119	1 403 450
	Materials	57 724	23 005
	Meetings/training	312 019	274 423
	Pauper burials	178 383	185 792
	Printing & stationary	402 307	465 136
	Rent: offices		198 840
	Security services	2 029 709	1 447 533
	Special projects	1 704 127	1 705 934
	Youth projects	1 469 899	1 220 864
	Sport and recreation	985 012	422 418
	Subsistence & travelling	1 711 774	1 448 277
	Subscriptions	558 181	123 755
	Sundries	26 601	30 478
	Ploughing cost	348 309	520 430
	Telephones	801 704	626 127
	Agricultural project	450 815	229 163
	Transport/vehicle cost	3 359 600	3 241 016
	Valuation expenses	63 768	63 158
	Ward committees	59 216	40 564
	Water	211 792	93 057
	CDW expenses		24 405
	Msig expenses	1 723 142	245 751
	Idp expenses	13 545	21 930
	Fmg expenses	1 189 415	713 235
	Rural elec plan	2 211 342	7 992 180
	Tourism project		14 871
	Internal audit grant expenditure		128 198
	Map expenses	201 726	391 877
	Small town rehab		453 735

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

	Disaster fund housing	51 873	
	T/ferry street lighting	6 622	275 784
	EPWP grant expenses	223 559	
	MPCC grant expenses	635 985	
	Pomeroy street paving		25 850
	LED capacity building		178 396
	Contribution leave provision	83 213	212 853
		<u>29 346 271</u>	<u>29 008 649</u>
20	Contracted Services		
	Management services	1 209 677	1 339 492
	Professional fees	365 123	54 265
		<u>1 574 800</u>	<u>1 393 757</u>
21	Cash Generated by Operations		
	Surplus (deficit ) for the year	29 640 087	28 105 030
	Adjustment for :		
	Prior year		3 708
	Depreciation	10 868 080	8 229 566
	Gain on disposal of property, plant and equipment	(2 002)	
	Contributions to bad debt provision	519 660	467 605
	Investment income	(4 042 757)	(3 594 158)
	Interest paid		
	Operating surplus before working capital changes	36 983 068	33 211 750
	(il)crease) decrease in consumer debtors	(472 526)	(464 496)
	(il)crease) decrease in other debtors	19 267	
	Increase (decrease ) in conditional grants and receipts	(8 825 066)	1 734 295
	Increase (decrease ) in creditors	192 974	(2 041 001)
	(Increase) decrease in VAT	(3 471 948)	2 112 354
	Increase (decrease ) in provisions		
		<u>24 425 769</u>	<u>34 552 902</u>
22	Cash and Cash Equivalents		
	Cash and cash equivalents included in the cash flow statement comprise the following amounts:		
	Bank balances and cash	5 951 602	11 824 897
	Call deposits	67 503 708	64 207 263
		<u>73 455 310</u>	<u>76 032 160</u>
23	Additional Disclosures in Terms of Municipal Finance Management Act		
	23.1 Contributions to organised local government		
	Opening balance		
	Council contributions		
	Amount paid - current year	400 000	
	Amount paid - previous years		
	Balance unpaid ( included in creditors )		<u>0</u>

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

23.2 Audit fees

Opening balance		
Current year audit fee	867 612	408 436
Amount paid current year	867 612	408 436
Amount paid - previous years		
Balance unpaid ( included in creditors )		0

23.3 VAT

Opening balance	2 248 834	4 361 188
Current year output VAT	(32 178)	(93 136)
Current year input VAT	7 837 595	7 427 227
Amount refunded by SARS - current year	(4 333 469)	(9 446 445)
Amount due by SARS - included in debtors	5 720 782	2 248 834

All VAT returns have been submitted by the due date.

23.4 PAYE, UIF and Skills levy

Opening balance		
Current year payroll deductions and Council UIF/Skills contributions	2 643 424	2 448 403
Amount paid - current year	2 643 424	2 448 403
Amount paid - previous years		
Balance unpaid ( included in creditors )		0

23.5 Pension and medical aid deductions

Opening balance		
Current year payroll deductions and Council contributions	1 702 819	1 757 749
Amount paid - current year	1 702 819	1 757 749
Amount paid - previous years		
Balance unpaid ( included in creditors )		0

24 Capital Commitments

Commitments in respect of capital expenditure:

- approved and contracted for		
Infrastructure		
- approved but not yet contracted for		
Infrastructure	31 844 000	26 665 000
Community	2 600 000	
Heritage		
Other	3 550 000	4 400 000
	37 994 000	31 065 000

This expenditure will be financed from

- government grants	31 844 000	26 665 000
- own resources	6 150 000	4 400 000
	37 994 000	31 065 000



**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

**25 RETIREMENT BENEFIT INFORMATION**

Certain Councillors and Certain employees belong to defined benefit retirement funds administered by the Natal Joint Municipal Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed on 1 July 2009. The Actuary advised that the fund is 96% funded and at date no actual action is required to rectify the situation

**25.1 SUPERANNUATION FUND**

The Actuary advised that the financial position has deteriorated from previous statutory valuation. The Committee felt that the investment markets were too volatile and the future of the Fund too uncertain (following a discussion of a possible merger with the Retirement Fund) to cease the surcharge at that point. The surcharge of 7% of pensionable salaries has therefore been applied.

**25.2 RETIREMENT FUND**

The actuary has advised the following

25.2.1. The result of the latest valuation showed a deficit in the fund.

25.2.2. The employers and members are paying a surcharge of 17% of pensionable salaries, which was expected to fund the deficit over a five year period

**25.3 Provident Fund**

The actuary is satisfied that the assets of the Fund are appropriate given the liabilities

<b>26</b>	<b>Unauthorised Expenditure</b>		
	Opening balance	8 489 138	2 936 905
	Add: Unauthorised expenditure current year		8 489 138
	Less: Amounts condoned	(8 489 138)	(2 936 905)
	Closing balance	0	8 489 138
<b>27.1</b>	<b>Irregular Expenditure</b>		
	Opening balance	49 855	4 362 604
	Add: Irregular expenditure current year		49 855
	Less: Amounts condoned	(49 855)	(4 362 604)
		0	49 855
<b>27.2</b>	<b>Deviation from SCM policy approved by Council</b>		
	Opening Balance		
	Deviations Current year	2 727 293	
	Authorised by Council	-2 727 293	
		0	

**MSINGA LOCAL MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2013**

**28 Correction of prior period error in presentation in the Financial Statements**

During the current financial year, the Municipality corrected errors in presentation in the financial statements.

The comparative amounts have been appropriately restated as follows:

**Note 6 - Property, Plant and Equipment**

Infrastructure carrying value previously disclosed	63 320 256
Revised classification	<u>(972 272)</u>
Revised Infrastructure carrying value	<u><u>62 347 984</u></u>

Community assets carrying value previously disclosed	3 271 344
Revised classification	<u>969 284</u>
Revised Community assets carrying value	<u><u>4 240 628</u></u>

Motor vehicles carrying value previously disclosed	4 306 881
Revised classification	<u>2 988</u>
Revised Other assets carrying value	<u><u>4 309 869</u></u>

Creditors previously disclosed	3 793 522
Less: Transfer to rates income	<u>1 525 904</u>

Revised creditors 2012	<u><u>2 267 618</u></u>
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Accumulated surplus previous year disclosed	132 665 154
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Add: Rates income revised	<u>1 525 904</u>
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Revised accumulated surplus 2012	<u><u>134 191 058</u></u>
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**29. Going concern**

Msinga Municipality relies mainly on grant income to fund the operational and capital budgets. Impairment of debtors,

28 ACTUAL VERSUS BUDGET ( REVENUE AND EXPENDITURE ) FOR THE YEAR ENDED 30 JUNE 2013

REVENUE	Original Budget	Adjusted Budget	Final Budget	Actual outcome	Variance	Actual outcome As % Of Final Budget	Actual Outcome As % Of Original Budget	Explanation of significant variances
	R	R	R	R	R			
Property rates	500 000	2 200 000	2 700 000	2 471 507	-228 493	91.54	494.30	Property rates act not fully implemented
Service charges	23 000		23 000	20 940	-2 060	91.04	91.04	
Rental of facilities and equipment	39 000	100 000	139 000	382 743	243 743	275.35	981.39	
Interest earned - external investments	3 650 000		3 650 000	4 042 757	392 757	110.76	110.76	
Government grants and subsidies	99 456 000	12 840 000	112 296 000	102 542 385	-9 753 615	91.31	103.10	Grant projects delayed
Other income	132 500		132 500	103 046	-29 454	77.77	77.77	
Sale of assets				2 141	2 141			
<b>Total Revenue</b>	<b>103 800 500</b>	<b>15 140 000</b>	<b>118 940 500</b>	<b>109 565 519</b>	<b>-7 184 981</b>	<b>92.11</b>	<b>105.55</b>	
<b>EXPENDITURE</b>								
Employee related costs	15 829 819	200 000	16 029 819	15 545 402	-484 417	96.98	98.20	
Remuneration of Councillors	8 154 392		8 154 392	8 084 267	-70 125	99.14	99.14	
Bad debts	505 620		505 620	519 659	14 039	102.78	102.78	
Depreciation	9 271 500	240 000	9 511 500	10 868 079	1 356 579	114.26	117.22	Underprovision Additional road maintenance / high rainfall
Repairs and maintenance	6 470 000		6 470 000	7 151 318	681 318	110.53	110.53	
Contracted services	1 181 000	850 000	2 031 000	1 574 800	-456 200	77.54	133.34	
Grants and subsidies paid	6 500 000		6 500 000	6 835 635	335 635	105.16	105.16	
General expenses	24 823 169	13 330 000	38 153 169	29 346 271	-8 806 898	76.92	118.22	Grant projects delayed
<b>Total Expenditure</b>	<b>72 735 500</b>	<b>14 620 000</b>	<b>87 355 500</b>	<b>79 925 431</b>	<b>-7 430 069</b>	<b>91.49</b>	<b>109.89</b>	
<b>Surplus for the year</b>	<b>31 065 000</b>	<b>520 000</b>	<b>31 585 000</b>	<b>31 165 992</b>	<b>-419 008</b>	<b>98.67</b>	<b>100.33</b>	

29 ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2013

	2013 Actual	2013 Under Construction	2013 Total Additions	2013 Budget	2013 Variance	2013 Variance
	R	R	R	R	R	%
Land and Buildings						
Land						
Buildings			0		0	
	0		0	0	0	
Infrastructure						
Roads	25 248 752		25 248 752	24 665 000	583 752	2
	25 248 752	0	25 248 752	24 665 000	583 752	
Community Assets						
Sportsfields	1 890 744		1 890 744	2 000 000	(109 256)	(5)
	1 890 744	0	1 890 744	2 000 000	(109 256)	
Other Assets						
Refuse transfer station						
Office equipment	248 937		248 937	200 000	48 937	24
Furniture and fittings	31 092		31 092	200 000	(168 908)	(84)
Motor vehicles	3 627 992		3 627 992	4 000 000	(372 008)	(9)
	3 908 021		3 908 021	4 400 000	(491 979)	
Total	31 047 517		31 047 517	31 065 000	(17 483)	(0)

**APPENDIX A**

**MSINGA LOCAL MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2013**

	Cost/ Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construct	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land										
Buildings	17 399 362				17 399 362	3 184 495	612 997		3 797 492	13 601 870
	17 399 362	0	0	0	17 399 362	3 184 495	612 997	0	3 797 492	13 601 870
Infrastructure										
Storm water drainage										
Roads	81 252 041	25 248 752		4 622	106 496 171	18 904 057	8 300 229	4 622	27 199 664	79 296 507
	81 252 041	25 248 752	0	4 622	106 496 171	18 904 057	8 300 229	4 622	27 199 664	79 296 507
Community Assets										
Sports facilities	4 946 453	1 890 744			6 837 197	705 825	528 720		1 234 545	5 602 652
	4 946 453	1 890 744	0	0	6 837 197	705 825	528 720	0	1 234 545	5 602 652
Other Assets										
Refuse disposal site	1 531 890				1 531 890	1 531 890			1 531 890	0
Taxi rank	948 004				948 004	948 004			948 004	0
Fencing	584 030				584 030	584 030			584 030	0
Air conditioners	134 252			70 711	63 541	134 252		70 711	63 541	0
Office and computer equipment	2 503 412	248 937		518 419	2 233 930	2 074 491	172 750	518 419	1 728 822	505 108
Furniture and fittings	1 340 959	31 092		19 526	1 352 525	635 379	109 539	19 387	725 531	626 994
Machinery and equipment	167 230			103 564	63 666	167 230		103 564	63 666	0
Cell phones & radios	2 151				2 151	2 151			2 151	0
Motor vehicles	10 373 723	3 627 992		423 253	13 578 462	6 063 854	1 143 845	423 253	6 784 446	6 794 016
	17 585 651	3 908 021	0	1 135 473	20 358 199	12 141 281	1 426 134	1 135 334	12 432 081	7 926 118
Total	121 183 507	31 047 517	0	1 140 095	151 090 929	34 935 658	10868080	1 139 956	44 663 782	106427 147

**APPENDIX B**  
**MSINGA LOCAL MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AT 30 JUNE 2013**

	Opening Balance	Additions	Cost/ Revaluation Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Accumulated Depreciation Disposals	Closing Balance	Carrying Value
Executive and Council	5 935 572	129 651		543 626	5 521 597	2 891 515	586 274	543 487	2 934 302	2 587 295
Finance and Admin	17 544 204	31 091		280 323	17 294 972	3 993 576	628 889	280 323	4 342 142	12 952 830
Planning and Development		119 285			119 285	0	1 988		1 988	117 297
Health						0			0	
Community & Social Services	3 141 331	994 011		18 727	4 116 615	1 545 393	164 300	18 727	1 690 966	2 425 649
Housing						0			0	
Public Safety	25 720				25 720	14 619	1 603		16 222	9 498
Sport and Recreation						0			0	
Environmental Protection						0			0	
Waste Management	2 320 185				2 320 185	2 320 184			2 320 184	1
		29 773			121 654	24 134			33 319	
Road Transport	92 178 312	477		297 417	372	970	9 482 258	297 417	811	88 334 561
Other	38 183				38 183	35 399	2 768		38 167	16
	0				0					
	121183507	31047515	0	1 140 093	151090929	34935656	10868080	1 139 954	44663782	106427147

# APPENDIX C

## MSINGA LOCAL MUNICIPALITY : SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2013

2012	2012	2012		2013	2013	2013
Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R
100 418 512	38 173 627	62 244 885	Executive and Council	109 067 898	41 095 503	67 972 395
220 655	7 161 595	(6 940 940)	Finance and Admin	340 165	8 952 688	(8 612 523)
	3 510 161	(3 510 161)	Planning and Development		3 952 214	(3 952 214)
	278 840	(278 840)	Health		205 228	(205 228)
67 550	2 805 777	(2 738 227)	Community & Social Services	108 629	3 432 801	(3 324 172)
	1 637 674	(1 637 674)	Public Safety		1 696 631	(1 696 631)
20 940	638 333	(617 393)	Waste Management	20 940	778 945	(758 005)
	17 922 218	(17 922 218)	Road Transport		19 235 623	(19 235 623)
	494 403	(494 403)	Other		547 911	(547 911)
		0				0
100 727 657	72 622 628	28 105 029	Sub - total	109 537 632	79 897 544	29 640 088

**MSINGA LOCAL MUNICIPALITY**

**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA , ACT 56 OF 2003**

Description	Name of organ of State	Unspent balance at 1 July 2012	Received 2012/2013	Expenditure 2012/2013	Transfer 2012/2013	Unspent balance at 30 June 2013	Grants delayed/ withheld	Reason for delaying/ withholding funds
		R	R	R	R	R	R	
Grants - general	Unspecified	1 178 104				1 178 104		
Grant - construction of shelters	District Council	243 769				243 769		
Int Dev I - Structure Grant	Provincial Government	100 936				100 936		
MIG-Roads		2 293 368	26 965 000	26 242 763		3 015 605		
Transition grant		2 518 464				2 518 464		
Tourism grant		1 222 159	359 000			1 581 159		
Municipal support grant		1 647 027		119 285		1 527 742		
Grants - general		3 450 000	200 000		(1 491 726)	2 158 274		
Grant -Integrated development plan		217 120		13 545		203 575		
Spacial dev Framework		100 000				100 000		
Finance Management grant		0	1 500 000	1 500 000		0		
Implementation of M F M Act		145 000				145 000		
Inter departmental monitoring grant		100 000				100 000		
Grant - LUMS		237 223				237 223		
Grant - Project Consolidate		1 847 347			(368 840)	1 478 507		
Grant - community development workers		128 890				128 890		
MSIG grant		0	800 000	800 000		0		
Housing grant - Pomeroy project		108 677				108 677		
Grant - LED capacity building		246 604				246 604		
Internal control & Audit committee		21 802				21 802		



**MSINGA LOCAL MUNICIPALITY**  
**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA , ACT 56 OF 2003**

Description	Name of organ of State	Unspent balance at 1 July 2012	Received 2012/2013	Expenditure 2012/2013	Transfer 2012/2013	Unspent balance at 30 June 2013	Grants delayed/ withheld	Reason for delaying/ withholding funds
		R	R	R	R	R	R	
Housing grant - Kwalatha project		(23 820)				(23 820)		
Resol phase 1		145 000				145 000		
Info Investment programme		200 000				200 000		
Sportsfields		592 192	1 200 000	1 265 573	368 840	895 459		
E - Learning		209 045				209 045		
Electrification programme		8 628 631		2 120 357	(6 508 274)	0		
Intern corporate		36 000	72 000			108 000		
Thusong Centres		1 167 000		635 985		531 015		
Sweet potato project		1 500 000				1 500 000		
EPWP grant			1 000 000	223 559		776 441		
		28 260 538	32 096 000	32 921 067	(8 000 000)	19 435 471		

# **REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND COUNCIL ON MSINGA MUNICIPALITY**

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the financial statements of Msinga Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Msinga Municipality as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matter**

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Going concern**

8. As disclosed in note 29 to the financial statements, the municipality has prepared its financial statements on the going concern assumption, however, cognisance needs to be taken that the municipality is reliant mainly on grant funding. Furthermore, the municipality has impaired a significant portion of trade receivables. These are indicators of potential risk of a going concern issue at the municipality.

## **Additional matter**

9. I draw attention to the matter below. My opinion is not modified in respect of this matter:

## **Unaudited supplementary schedules**

10. The supplementary information set out on pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

11. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

## **Predetermined objectives**

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages ... to ... of the annual report.
13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information (FMPPi)*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

14. There were no material findings.

## **Compliance with laws and regulations**

15. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA.

## **Internal control**

16. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.



Pietermaritzburg

29 November 2013



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**BUDGET SPEECH FOR MSINGA LOCAL MUNICIPALITY PRESENTED TO THE  
COMMUNITY OF MSINGA BY HIS WORSHIP THE MAYOR COUNCILLOR F.J  
SIKHAKHANE: 2013/2014 FINANCIAL YEAR.**

**VENUE: MSINGA LIBRARY**  
**DATE: 2013 JUNE 20**  
**TIME: 09h00**

**1. OBSERVATION OF PROTOCOL**

- The Honorable Speaker – Programme Director
- Mayors, Deputy Mayors and Councilors of all Municipalities
- Our esteemed Amakhosi present and council
- Heads of various spheres of government and their supports
- Ministers of religious and all church members
- CDW's present
- HUBS present
- Members of various ward committees
- NGO's, CBO'S etc
- Taxi Associations
- Farmers
- Youth
- Members of the media
- Distinguished guests
- Municipal officials
- Ladies and gentlemen of Msinga I greet you all

It gives me a great honor to rise and present budget for 2013/2014 financial year on behalf of Msinga Municipality before you Msinga citizens who are here today. Firstly I wish to thank all honorable councilors of Msinga municipality for an advance action of approving this budget unanimously on the 29/05/2013 as stipulated in the budget process plan for the said financial year. This is an indication of high professionalism in dealing with important municipal matters. The approved or adoption of the budget timorously is the requirement terms of Municipal Finance Management Act no 56 of 2003. It is my responsibility to advice the entire community of Msinga as the political head about all programmes pertaining performance of this municipality.

I present this budget before you with confidence that as from the beginning of the current financial year up to date we have been bringing government to the people through mayoral programme of action which we conducted in all wards and the community members were given an opportunity to express their views regarding development in this municipality. ***“Siqhuba amandla omnotho nentuthuko eMsinga, kuyodela wena ngoba asandile nango mlomo kodwa ngezenzo”*** both draft budget and IDP have been published in the local newspaper for comments and no objections were received. We therefore gathered here today to witness and

celebrate an official approval of the budget and IDP for 2013/2014 and also to report to you about municipal performance during 2012/2013 financial year.

## **2. MSINGA MUNICIPALITY'S VISION AND MISSION STATEMENT**












### **VISION**

Msinga Municipality will strive to achieve corruption-free, eradicate poverty, and enhance integrated and sustainable development.

### **MISSION**

Msinga Municipality will strive to provide good health, human development, sustainable environment through the provision of adequate infrastructure in partnership with Traditional Leadership and other stakeholders.

In addition to the above, the following components have been identified as major keys to the development of Msinga communities:




-  Poverty alleviation and the provision of employment opportunities
-  Empowerment
-  Economic development
-  The satisfaction of basic needs and the provision of services
-  Education and Training
-  Sustainable Municipality
-  Participation of all citizens
-  Safe and sustainable environment
-  Youth Development
-  Safe adequate housing
-  HIV/ AIDS effects

## **3. MSINGA MUNICIPALITY'S ANNUAL PERFORMANCE REPORT FOR 2012/2013 FINANCIAL YEAR**

Programme Director, I am very pleased to stand before this community of Msinga once again to report about achievements which have been made by Msinga Municipality during 2012/2013 financial year.. To me this is the great achievement for such a small and new municipality in deep rural area which has no source of income. This report is structured in terms of municipal key performance areas/ Indicators (KPA) for easy understanding and also to measure with objects of establishment of local government as stipulated in section 152 of the Republic of South Africa Constitution Act no. 108 of 1996 ( Chapter 7).

## **4. PERFORMANCE REPORT OF MSINGA MUNICIPALITY**

Msinga Municipality always perform in terms of "Operation Sukuma Sakhe" focus areas as its yardstick e.g Standard of comparison such as follows:-

-  Job opportunities
-  Rural development
-  Education

- Health
- Food security
- Youth empowerment

These focus areas are covered through the following activities:

#### 4.1. BASIC SERVICE DELIVERY

It is the responsibility of the local government to ensure provision of services to communities in a sustainable manner. This objective has been achieved during the reporting period by provision of the following:

##### 4.1.1 Electrification

Electrification of Madulaneni area in ward 08 and Mathinta in ward 06 has been completed with an amount of R 7 000 000.00. Electrification of Mahlabathini area in ward 05 for 40 units through ward committee support. An amount of R 200 000.00 was utilized for this.

Mathinta Electricity



Madulaneni Electrification



##### 4.1.2. Municipal Access Roads Construction

Msinga Municipality still regards access roads as its priority project as no project can be successful without access roads. As a result during this financial year this municipality has decided to utilize 90% of MIG funding for construction of the following access roads.

No.	WARD	ACCESS ROAD	LENGTH	AMOUNT
01	13	Nembeni and Singaneni	5.1 KM	R 3 610 413.63
03	14	Mahhashini	3.4 km	R 3 628 368.10
04	09	Sithozini/ Ezintandaneni	8 km	R 4 709 764.65
05	18	Ntabampisi	8km	R 5 636 909.21
06	10	Ngqungqulwini	5.5 km	R 4 921 950.00



<b>TOTAL</b>	<b>R 22 507 405.59</b>
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## INHOUSE CONSTRUCTION OF ACCESS ROADS

No.	WARD	ACCESS ROAD	LENGTH	
1	05	Mbubu	4 Km	R 1 768 008.30
2	03	eSiJozini	9.3 Km	R 1 469 876.10
3	13	Nokwentana	3 km	R 1 553 126.27
4	14	Nsimbini	2.5 km	R 1 248 824.74
<b>TOTAL</b>				<b>R 6 039 835.41</b>

Ngqungqulwini access road



Ngqungqulwini access road



Mbubu access road



Mbubu access road





#### 4.1.2. Provision of houses to needy people

It is not the core function of the local municipality to provide houses to people, however, due to an urgent need also unsafe and unhealthy environment of our people. Msinga Municipality was compelled to give support to other needy families in terms of Chapter 03 of Act No 108 of 1996 read with section 152 of the said act.

Ward 04



Ward 07



No.	WARD	BENEFICIARY	AMOUNT
01	02	Ntuli	R 97 008.00
02	04	Mtungwa	R 96 634.00
03	06	Mbatha family	R 97 639. 00
04	07	Dladla	R 96 934.00
05	07	Linda	R 99 904.00
06	08	Dumakude	R 99 639.00
07	14	Ngubane	R 54 964.00
08	14	Zulu	R 58 242.00
09	14	Ngobe	R 49 969.00
10	14	Makhunga	R 61 239.00
11	19	Kheswa	R 48 000.00
12	19	Makhunga	R 48 398.00
<b>TOTAL</b>			<b>R 908 570.00</b>

## SUPPORT WITH CONSTRUCTION OF CLASSROOMS

NO	WARD	NAME OF THE SCHOOL	AMOUNT
01	03	Esikhaleni school:01 classroom	R 97 820.00
02	05	Mbubu school	R 93 000.00
03	09	Somveli high school	R 185 645.00
04	13	Inkayishana school	R 195 514.00
05	15	Bhazamani school	R 192 721.00
<b>TOTAL</b>			<b>R 764 700.00</b>

Somveli school



Mbubu school



03	03	Shabile crèche	R 104 765.00
04	04	Impophoma creche	R 104 765.00
05	05	Nogawu creche	R 93 894.00
06	06	Landulwazi creche	R 119 350.00
07	08	Nkobongweni creche	R 119 350.00
08	11	Mawozini creche	R 119 350.00
09	11	Nyonini creche	R 119 350.00
10	12	Khohlwa creche	R 118 337.00
11	12	Siphindeleni creche	R 99 048.00
12	16	Phohlozana creche	R 118 000.00
13	17	Landelani crèche	R 99 546.00
14	18	Mthaleni crèche	R118 000.00
15	18	Mcogisa crèche	R118 000.00

16	19	Egejenicreche	R 98 314.00
<b>TOTAL</b>			<b>R 1 743 587.00</b>

Nkobongweni crèche



Phohlazana crèche



## Construction of community hall

1. Ward 10 kopi community hall R 198 000.00



## 5. OTHER CAPITAL PROJECTS

Msinga Municipality in this ending financial year has decided to add road equipment in order to reduce backlog of access roads

By purchasing of the following plants for roads construction and repairs



No	EQUIPMENT	AMOUNT
1	ROLLER	R 1 000 000.00
2.	GRADER	R 2 000 000.00
3.	WATER TANKER	R 1 000 000.00
	<b>TOTAL</b>	<b>R 4 000 000.00</b>

## 6. LOCAL ECONOMIC DEVELOPMENT

It is the responsibility of this Municipality to ensure that LED is promoted in our area. There are number of strategies that have been developed by our municipality to fulfill these objectives of local government VIS:-

### 6.1 The empowerment of local catering businesses and suppliers of goods and services to the Municipality.

This was witnessed during mayoral imbizo in various wards for public participation. Whenever His worship the Mayor addresses the community on food security he provides food parcels to the needy, widows, widowers and orphans and also encourages them to establish their small community gardens. These imbizos were held twice a year in each ward and 80 food parcels were supplied per event which means 160 food parcels were distributed in each ward during the current financial year.

R 100 000.00 was set aside for each ward to cater for food security, which means  $R\ 100\ 000.00 \times 19 = R\ 1\ 900\ 000.00$ . All food parcels were purchased from local businesses such as Nadi Trading , Ebheneza, Keates Drift, Phakamani, Umsakazowe Zindaba, Inkanyezi, Khonzinkosi Spar, Khuzwayo Msinga Top, Makhankane, Khayaletu etc.

Food parcels for indigent families



Food parcels



### 6.2. Empowerment of ward caterer

In each Mayoral imbizo ward caterers are utilized for labour only. An allocation of R 5000. 00 was made available for this  $R\ 5\ 000.00 \times 38 = R\ 190\ 000.00$

### **6.3. Empowerment of caterers**

An amount of R 100 000.00 was allocated under vote 001/381/000 to entertain honorable councilor when attending council meetings. Local caterers in this service were given an opportunity to cater on rational basis due to huge number of catering companies registered in this municipality's database.

### **6.4. Entertainment rendered by public participants during mayoral events**

An amount of R 950 000.00 was allocated in order to cater for community refreshments (food and drinks) during mayoral functions. Groceries for refreshment's were bought from both OK Inkanyezi and Khonzinkosi Spar on rational systems.

### **6.5. Entertainment by local ward artists/ performers**

In every ward local artists were utilized to do activities in order to develop indigenous skills and talent. An amount of R342 000.00 was utilized for this purpose and each ward was allocated with R18 000.00 per year.

Indlamu



Gospel



Isicathamiya



Ibhayi



Maskandi



#### 6.6. Hiring of tents & toilets

Hiring of tents to accommodate 700 people were hired from 03 local service providers on rational basis viz: Amazwe, SiyaZenzela and Majola. An amount of R16 000.00 X 19 = R 304 000.00 was set aside.

#### 6.7. Recognition of public holidays

Msinga municipality has decided to recognize public holidays it has further arrange indigenous knowledge systems such as Ingoma, Ibhayi, isicathamiya, gospel, poetry etc. An amount of R 75 000.00 X 3 =R 225 000.00 has been utilized for this service.

Heritage day 24/09/2012



Woman's day- 09/08/2012





Day of reconciliation; 16/12/2012



Freedom day : 27 April 2013



### 6.8. Agricultural support

It has been noticed that farming or agriculture is the main source of economy in this area. As a result Msinga Municipality was compelled to allocate R 35 263.00 per ward to enable each ward to fulfill this major need of Msinga people at ward level. The total amount is R 669 997.00. This allocation in various wards was used for fencing of community gardens and croplands, supply of water pumps, establishment of poultries and purchasing of seedlings etc.



## 7. MAYORAL BUDGET SPEECH EVENT

An amount of R 1 700 000.00 was set aside for today's function especially to cater for the following logistics.

- ✚ Hiring of transport
- ✚ Hiring of tents
- ✚ Decoration
- ✚ Promotional items
- ✚ Refreshments etc.

Tenders were issued and placed to our local advertising boards to give all local service providers fair chance to bid for rendering their services

## 8. MUNICIPAL COMMITTEES

8.1 Msinga municipality consists of the following committees:

Full council sits on quarterly basis  
Executive committee sits monthly  
Finance portfolio sits once every two months  
Administration sits once every two months  
Technical committee sits once every two months  
Development planning sits once every two months  
MPACT sits on quarterly basis  
Audit committee sits on quarterly basis  
MANCO monthly

### 8.2. Ward committees

This municipality has functional ward committees and their meetings are held every month and minutes submitted to the office. This enables the municipality to consider their needs/ requirements in time.

Ward committees





## **9. OTHER IMPORTANT ACHIEVEMENTS**

### **9.1. Youth projects**

An amount of **R 1 500 000.00** was allocated to cater for all youth projects within the municipality. Youth projects were arranged to cater three main requirements:

### **9.2. Experiential learning**

**R 342 000.00** was for the experiential learning to enable each ward committee to nominate one youth member to be trained in municipal offices. In all 19 wards, ward committees managed to do nominations as requested.

### **9.3. Registration assistance**

The amount of **R587 9793** was utilized for registration fees in the higher education institutions and for computer skills development.

### **9.4. Youth Empowerment**

The last requirement was funded with the sum of **R 570 000.00** and was used for other youth projects.

It has been noticed that most of the ward committees have utilized these youth allocations for sustainable projects such as +\_ 100 students registered in various tertiary institutions. +\_ 100 youth members enrolled at driving school, +\_100enrolled at various computer colleges. A large number of needy youth members were supplied with school uniform. Other ward committees utilized these allocations to promote sports and recreation by supporting youth with soccer kits, traditional attires, etc. Other ward committees encouraged youth to establish their own self help projects such as poultry and farming by supporting them with seedlings and chicken.

### **9.5 Disaster management**

Disaster Management is a shared function between the district and local municipalities. However, this municipality during this current financial year managed to assist number of victims who were affected by minor disaster such as burning of dwelling houses, vehicle collusion etc. An amount of **R 120 000.00** was spent in this support.



### HIV/ AIDS Support

An amount of **R 100 000.00** has again been set aside for this support. The aim of

#### 9.6. HIV/ AIDS

An amount of **R100 000.00** has been set aside for this support. The aim of this allocation is to enable the municipality to conduct awareness campaigns regarding this issue. Meetings of the local HIV/ AIDS council are held on quarterly basis for discussion and members of the community affected and those taking medication are supported with food parcels.



#### 9.10. Pauper Burials

An amount of **R 200 000.00** was allocated in this financial year to enable this municipality to assist needy people to honor burials of their loved ones. 250 coffins were supplied to them in this current financial year.

#### 9.11. Sports and Recreation

Beside support and promotion of sports and recreation by individuals, an allocation of **R 636 862.00** was set aside by this municipality to support this. This allocation enables our youth to participate in various sporting codes and SALGA games. Records for this municipal annual performance reports are available in our offices for perusal.





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therefore wish to express my gratitude to both political levels and administration level for a good co-operation in accelerating service delivery all over Msinga. Thumbs up! Keep it up!

## 11. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

This was witnessed during Mayoral events. The number of participants has increased from 600 to 900. The stakeholders were amakhosi and their councils, all local and provincial departments' official as they work together with this municipality, NGOs such as IEC, Education, Sinozwelo and Philanjalo. This good relationship between municipality and senior officials from various is in terms of Act no 108 Of 1996 in the Constitution of this country.

CWP



Philanjalo



Correctional Services



D.E.D.T



Home Affairs:



Depart of Health



## 12. BUDGET ALLOCATION FOR 2013/2014 FINANCIAL YEAR

Programme director, I am very pleased to present this allocation before our community present here today from all municipal wards. Msinga municipality always does its best to satisfy large part of community needs from all various wards which are considered during wards meetings and further submitted to this office on monthly basis.

Our budget comprises of both income and expenditure and it is also in two folds viz: operational and capital budget.

## 13. STATUTORY REQUIREMENTS

In terms of Section 10(G)(4) Of the Local Government Transition Act, Second amendment Act, 1996 (Act 97 of 1996) the Council shall submit to the Minister of Finance within 14 days from the adoption thereof by Council for the purpose of monitoring whether the maximum expenditure limits have been complied with: Provided that the Minister of Finance may delegate this monitoring function to the MEC responsible for Finance.

Section 10(G) OF THE Act mentioned above provides that “in so far as it may be essential for the pursuit of the national economic policy, the Minister of Finance, after consultation with the Minister, determine maximum expenditure limits for the budgets or components of such budgets of municipalities for a financial year.”

The Minister of Finance has therefore set the Maximum expenditure increase of 6% for each of the capital, special and trust funds and operating budgets.

These restrictions do not take into consideration new municipalities that have been recently established as ours, resulting in some functions not efficiently, effectively and efficaciously being performed.

## **13. BUDGET PRINCIPLES / METHODS**

### **13.1 SALARIES, WAGES AND ALLOWANCES**

A provision of 8% increase has been made in staff salaries, wages and allowances.

### **13.2 COUNCILLOR SALARIES AND ALLOWANCE**

The provision for Councillors salaries, allowances and benefits have been based on Government gazette draft Notice No. R 1224 for the determination of the upper limits of the salaries, allowances and benefits of the different members of the municipal council. A provision of 8% increase has been made although this may not be realized.

## **14. RESOURCE SUPPORT SERVICES**

### **14.1 OPERATING INCOME**

#### **Tariff of charges**

Refer to tariff of charges.

### **14.2. EQUITABLE SHARE**

An amount of **R 81 641 000.00** has been allocated to the Msinga Municipality for the financial year 2013/2014.

### **14.3. GRANTS**

#### **Financial Management Grant**

An amount of **R 1 650 000.00** has been allocated to Msinga Municipality.

#### **Municipal System Infrastructure Grant**

An amount of **R 890 000.00** has been allocated to Msinga Municipality.

## **15. OPERATING EXPENDITURE**

The total operational expenditure amounts to **R 95 301 705.00**

## **16. CAPITAL BUDGET (PROJECTS)**

The total capital projects is **R 37 994 000.00** for the 2013/2014 financial year.

## **17. OPERATIONAL BUDGET**

This refers to projects or activities done on daily basis or minor ones. This municipality is still mainly relying on grants allocations and equitable share for its operation since there is no revenue base in this area as yet. However, we are fortunate that our equitable share for 2013/2014 has been increased from **R 69 000 000.00** to **R 81 641 000.00** with a difference of **R12 641 000.00**. This is a result of good financial management of grants allocated to this municipality such as MSIG, MIG, FMG etc and this is the good work of our officials.

Our budget is still structured as per the following votes, each vote consists of a number of items:-

VOTE	DEPARTMENT
001	Council General
002	Assessment rates
005	Grants and subsidies
010	Municipal manager
020	Corporate Services
060	Property services
070	Multi Services
080	Community halls
090	Tourism services
100	Community service
110	Strategic planning
120	Health services
130	Safety services
210	Fire / Emergency services
300	Finance service
400	Technical services
410	Town planning
420	Building regulations
430	Roads
560	Refuse removal

Programme director I will dwell on projects which are directly for members of our community because of time as follows:

VOTE	ITEM	DESCRIPTION	AMOUNT
001	405	<b>Relief fund:</b> This amount has been increased from R 2 500 000 to R 2, 625 000.00 as compared with the previous financial year. This allocation assists to promote indigenous talent, skills and food security in terms of Operation Sukuma Sakhe programme.	R 2 625 000.00
005	394	<b>Indigent support:</b> - This allocation has slightly increased from R179 080.00 compared to last financial year due to the increase number of indigent people.	R180 000.00
005	554	<b>Free basic Electricity:</b> -same as previous financial year to be utilized in supporting indigent people in solar panels supply.	R 2 500 000.00
005	555	<b>Free Basic Services:</b> -This allocation has been increased compared to the previous financially year from R 4 000 000.00 due huge backlog of infrastructure in the various wards eg. Construction of crèche, community halls, classroom etc.	R 5 900 000.00



005	140	<b>Disaster fund for housing:</b> same as for previous financial year	R 250 000.00
100	449	<b>Youth projects:-</b> same as previous financial year. This is to support/ promote youth projects such as Registration fee R587 993.00 other projects R570 000.00 and office exposure.	R 1 500 000.00
100	454	<b>Ploughing costs:-</b> This amount has been increased from the previous financial year due to its needs in all wards as farming is the main source of income in this municipality	R 550 000.00
100	456	<b>Agricultural projects:-</b> This allocation has been increase from R370 000.00	R 450 000.00
100	450	<b>Sports &amp; creation:-</b> This amount has been increased as compared with previous financial year from R636 862 to in order to promote strongly sports and creation and also recognition of public holidays	R 1 700 000.00
110	448	<b>Special projects:</b> - This amount is same as previous financial year. It is utilized on mayoral discretion eg to support widows, widowers, orphans and other projects	R 2 000 000.00
120	420	<b>Support on pauper burial:</b> - Same as previous financial year. This is used to support indigent people with coffins in order to bury their loves ones	R 200 000.00
120	374	<b>HIV/AIDS awareness campaigns:</b> -same as previous financial year. To advise affected people and also support them with food parcels.	R 100 000.00
130	372	<b>Awareness programme:-</b> Same as previous financial year. This amount is used to conduct imbizos on Disaster & Fire fighter management in this municipality.	R 1, 500 000.00
130	375	<b>Disaster management:-</b> This amount has been increase in order to address disaster problem in this Municipality	R 120 000.00

**Infrastructure Projects:** R 310 000.00 from various wards 2013/2014

This allocation has been increased by R 19 000.00 in order to reduce huge backlog of infrastructure in each ward.

WARD	DESCRIPTION OF PROJECTS	AMOUNT
1	Community hall at Mpondweni area	R 310 000.00
2	- Construction of one classroom for Ntokozweni School - Construction of two rooms house, Funekile	R 100 000.00

	Mbatha - Construction of two rooms house, Sakhiseni Shange	R 100 000.00  R 100 000.00
3	- Construction of Bumbeni crèche at Ngcengeni - Construction of Siyamukela Creche at Parafini	R 150 000.00 R 150 000.00
4	- Construction of crèche at Sampofu - Construction of Creche at Sidakeni	R 150 000.00 R 150 000.00
5	- Building of crèche at Mbabane - Building of one classroom at Mbubu School	R 150 000.00 R 150 000.00
6	- Building of four roomed house for kwaZondi family at kwaGuqa - Building of four roomed house for Malembe family at kwaGuqa	R 150 000.00  R 150 000.00
7	- Construction of Taxi shelter and toilets at Mbangweni area	R 310 000.00
8	- Construction of crèche at Galibasi - Construction of crèche at Simumumu	R 150 000.00 R 150 000.00
9	- Building of four roomed house at eZindluzuleni - Building of four roomed at eSithozini	R 150 000.00 R 150 000.00
10	- Construction of a crèche at kwaGxobanyawo - Building of two room house at Mahlaba - Building of two roomed at Gudwini	R 310 000.00
11	- Construction of community hall at eSiphongweni area	R 310 000.00
12	- Fencing of eSiholweni crèche - Completion of eSiholweni crèche - Fencing of oPhisweni crèche - Building of Dolo Creche	R 50 000.00 R 50 000.00 R 50 000.00 R 150 000.00
13	- Construction of one classroom at eSimanyama school - Construction of one Holisizwe	R 150 000.00  R 150 000.00
14	- Construction of community hall at kwaGxobanyawo	R 310 000.00
15	- Building of Mashaneni crèche - Building of two roomed house for ShiqeSibiya	R 100 000.00



	- Building of two roomed house for L.D Ngubane	R 100 000.00 R 100 000.00
16	- Construction of community hall at Ngubukazi area	R 310 000.00
17	- Building of Ngubukazi crèche - Building of community hall at Matshematshe area	R 150 000.00 R 150 000.00
18	- Construction of Xovudaka crèche - Construction of Tukulwane creche	R 150 000.00 R 150 000.00
19	- Building of community hall at Mozane area	R 310 000.00

## 18. CAPITAL PROJECTS

This refers to major projects for 2013/2014 financial year.

### 18.1. MIG FUNDING R 31 Million

WARD	DESCRIPTION OF PROJECT	AMOUNT
1	Mumbe access road	-+ 6 M
2	KwaShishi access road	5,6 M
3	Nsimbini access road	3,7 M
11	Ncewu Road	-+ 4 M
15	Gidamasoka access road	-+ 4 M
17	Pomeroy sport field (phase 1)	-+ 10 M
17	Pomeroy internal roads ( phase 1)	-+ 3 M
<b>TOTAL</b>		<b>R 36 300 000.00</b>

### 18.2 PURCHASE OF CAPITAL EQUIPMENT

NO	EQUIPMENT	AMOUNT
1	2 X 4 X 2 Vehicles	R 700 000.00
2	1 x Quantum	R 300 000.00
3	Furniture for offices	R 500 000.00
4	Computers & office equipment	R 500 000.00
5	Fire and emergency office	R 150 000.00
6	TLB	R 800 000.00
7	Workshop building	R 800 000.00
8	Waste recycling place	R 300 000.00
9	Construction of guard houses	R 300 000.00
10	Planter for Row	R 150 000.00
<b>TOTAL</b>		<b>R 5 350 000.00</b>

**THE TOTAL BUDGET FOR THE FINANCIAL YEAR 2013/2014 IS R 133,295  
705.00**

Programme director Amakhosi, Councillors, Dignitaries and the entire community of Msinga this budget I have presented to you is for local municipality's core functions. Projects for other spheres of government are included in the IDP and documents are available in Municipal offices. **IBUDGET YAKHO, INGAWWE...YOUR BUDGET IS ABOUT YOU.**

In conclusion I wish to express my heartfelt gratitude to all stakeholders and members of the community for attending this significant function.

**“IBUDGET YAKHO, INGAWWE...YOUR BUDGET IS ABOUT YOU”.**

Thank you.



MSINGA LOCAL MUNICIPALITY (KZ244)

**SECTION 46 ANNUAL MUNICIPAL  
PERFORMANCE REPORT FOR  
2012/13 FINANCIAL YEAR**

*Phone: 033 4930764/3*

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## FOREWORD BY THE MAYOR



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***“Driving developmental and economic forces in Msinga”***

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Msinga annual performance report reflects the following ;

- 
- a) The performance of the municipality and of each external service provider during the financial year
  - b) A comparison of the performance referred to in paragraph (a) with targets and performances in the previous year and
  - c) Annual performance report will form part of the municipality ‘s annual report in terms of chapter 12 of the MFMA of 2003.

Msinga municipality is established in terms of section 152(Ch. 7) of the Act no 108 of 1996 in order to achieve these objects; to provide democratic and accountable government for local communities, to ensure the provision of services to communities in a sustainable manner, to promote social and economic development, to promote a safety and healthy environment, to encourage the involvement of communities and community organisations in the matters of local government.

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***Msinga municipality’s vision:***

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***Msinga municipality will strive to achieve corruption-free, eradicate poverty, and enhance integrated sustainable development.***

Both objectives of local government establishment and Msinga municipal vision were achieved during the reporting year by complying with the six national KPA's.

On the 20 June 2013 the municipal performance report was tabled to the community of Msinga during the annual imbizo which was held at Mthembu Traditional area attended by thousands of people from all the nineteen wards . This imbizo served as a mechanism to report back to the community.

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**The analysis of this performance information consists of the following KPA's:**

### **KPA 1: Municipal Transformation and Organizational Development**

In 2012/13 Msinga municipality was in possession of an approved organogram. All section 56/7 vacancies were filled.

### **KPA 2: Basic Service Delivery**

All provisions of basic services were done in a sustainable manner. Electricity provision at Madulaneni area in ward 08 and Mathinta in ward 06 covered 600 households with the total amount of R7 000 000.00. 40 units at mahlabathini in ward 05 was achieved with a total amount of R200 000.00. Construction of municipal access roads namely Mbubu, Esjozini, Nokwentana, Nembeni, esthozini, Ntabampisi and Nsimbini to the value of 25 million was successfully achieved. The provision of twelve emergency houses for the indigent people to the value of R908 570.00, Construction of 08 classrooms to the value of R764 700.00, the building of 16 crèches to the value of R1 743 587.00 and one community hall to the value of R198 000.00. The roller, grader and water tanker were purchased with 04 million to accelerate infrastructure provision .

### **KPA 3: Local Economic Development**

The provision of LED has been achieved. In the beginning of the financial year all said service providers were invited to the meeting and also encouraged to participate in the municipal bidding process in terms of the Supply Chain Management. 38 caterers were given an opportunity to cater during the mayoral imbizos in various wards. The local shop owners were given an opportunity to supply food parcels to indigent people also for groceries utilized during the said imbizos an amount of R342 000 was used to compensate local artist that performed during the imbizos. Other service providers were utilized for hiring toilets, tents, chairs, during the events and R304 000.00 was spent on this service

#### **KPA 4: Municipal Financial Viability and Management**

Municipal finance management is viable and as a result of this municipality has managed to obtain an unqualified audit opinion from the Auditor General

#### **KPA 5: Good Governance and Public Participation**

All twelve Exco meetings, four council meetings and special council meeting successfully held. 38 public participation imbizos were conducted and participants include Amakhosi, izinduna, councilors, representatives from government departments, NGOs, CBOs, and municipal staff attended these imbizos.

#### **KPA 6: Cross-Cutting Issues**

HIV/Aids & Vulnerable groups and attending to disaster incidents are all crosscutting issues that are attended. The municipality partners with other government departments on all crosscutting



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## FOREWORD BY THE MUNICIPAL MANAGER



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The annual performance report presented below captures the activities the Msinga Municipality undertook in the 2012/13 financial year. It is crafted in terms of the municipal vision and targets to all heads of departments within the municipality. The performance report provides evidence that the municipality has achieved both objects of local government establishment and KPAs in terms of Local Government, Municipal Performance regulations for municipal manager's and managers directly accountable to the Municipal manager, 2006.

All categories of the municipal staff have played their roles in order to achieve the municipal strategic goals as outlined by his Worship the Mayor that "we are driving developmental economic forces in Msinga".

## INTRODUCTION

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### 1. Background to Municipal Performance Reporting

The Msinga Municipality's Annual Performance Report is compiled in terms of the legislative requirements of Chapter 6 of the Municipal Systems Act, 32 of 2000 and Chapter 12 for the Municipal Finance Management Act, 56 of 2003. The Municipal Systems Act prescribes the role of each sphere of government in the municipal performance reporting. ....

# Analysis of Municipal Performance Information for 2012/13 Financial Year

## PURPOSE

To present to the Annual performance report in line with the performance agreements signed in terms of section 57(b) of the Municipal systems act.

## DISCUSSION

This report is presented in line with Msinga Performance Framework therefore is legally binding, the Heads of Department are mandated to report quarterly on performance of their departments towards the realization of the targets in the IDP 2012/2013. The report presented below is in line with the SDBIP 2012/2013, and the Performance agreements signed by the Heads of departments at the beginning of the financial year in July 2012.

## THE MUNICIPAL VISION

***Msinga Municipality will strive to achieve corruption-free environment, eradicate poverty, and enhance integrated and sustainable development***

## KEY OBJECTIVES AND STRATEGIES

For Msinga municipality to achieve the desired future (vision) it has to address its key objectives through various specific strategies and projects. The National Government developed a 5 Year Local Government Strategic Agenda and this document identifies 6 Key Performance Areas which municipalities are required to address. Msinga municipality in addressing its developmental objectives has ensured that they are aligned with the PGDS goals.

**Table 1. Priority issues (source Msinga IDP 2012/13)**

PGDS GOALS	KEY PERFORMANCE AREA	MUNICIPAL PRIORITY ISSUE
------------	----------------------	--------------------------

<b>Strategic infrastructure</b>	<b>Infrastructure and services</b>	<p>Satisfaction of basic needs through provision of services :</p> <ul style="list-style-type: none"> <li>❖ Water</li> <li>❖ Sanitation</li> <li>✓ Roads</li> <li>✓ Housing</li> <li>✓ Electricity</li> <li>✓ Solid Waste</li> </ul>
<b>Job creation</b>	<b>Local Economic &amp; Social Development</b>	<p>Local economic development through:</p> <ul style="list-style-type: none"> <li>✓ Commercially orientated agriculture</li> <li>✓ One house one garden</li> <li>✓ Tourism projects</li> <li>✓ Stone crushing</li> <li>✓ Agri-processing</li> <li>✓ Poverty alleviation</li> <li>✓ Education and training</li> <li>✓ LED Strategy adoption</li> <li>✓ HIV/AIDS</li> <li>✓ Youth development</li> </ul>
<b>Human resource development</b>	<b>Municipal transformation</b>	<ul style="list-style-type: none"> <li>✓ Improve staff skills through WSP</li> <li>✓ Improve municipal PMS</li> <li>✓ Effective management of facilities</li> <li>✓ Improve municipal performance reporting</li> </ul>
	<b>Municipal financial viability</b>	<ul style="list-style-type: none"> <li>✓ Generate income for the municipality</li> <li>✓ Promote sound financial practices</li> </ul>
<b>Governance and policy</b>	<b>Good governance</b>	<ul style="list-style-type: none"> <li>✓ Improve communication with the community</li> <li>✓ Participation of all citizens</li> <li>✓ Empowerment</li> </ul>
<b>Spatial equity</b>	<b>Spatial Development</b>	<ul style="list-style-type: none"> <li>✓ Safe and sustainable environment</li> <li>✓ Attract investment to Nodal areas</li> <li>✓ Ensure proper spatial planning</li> <li>✓ Adopt a reviewed SDF</li> </ul>

## **2012/2013 HIGHLIGHTS**

## **CHALLENGES**

1. Weather – delays were experienced during the execution of certain projects, the unpredictable weather caused delays in the anticipated time frames of the projects. Projects affected include the Pomeroy Sports complex and road Maintenance projects.

2. Contracts not honoured – contractors guilty of breaching the contract or declining the contracts.
3. Over expenditure- some projects have gone over the budgeted amount
4. Powers and functions & ownership . the problem the municipality faces emanates from ownership, where mast lights are concerned, the municipality cannot take responsibility to fix them as in terms of ownership they in the custody of the Department of Public Works as they were installed long before the municipality came into existence. This in turn affects its functionality as it has not been able to source funding for the refurbishment of the three Tugela Ferry mast lights.
5. Infrastructure-Msinga has a huge backlog of infrastructural nature especially roads, however it has no strategic plan that spatially reflects the specific backlogs. The municipality needs to develop a backlogs study that details the current baseline, backlogs and the time it will take to eradicate backlogs.
6. Roads Maintenance: The two weeks per ward programme is going slow due to major breakdowns challenges the municipality is facing.

## **DEPARTMENTAL PERFORMANCE**

The municipality has four departments' namely Corporate services, Technical services, Finance department and the Planning & Development departments. Below is a summary of the performance of the departments and attached are the performance plans per department in line with the National Key performance areas.

### **FINANCE DEPARTMENT**

#### **1:MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (FINANCIAL DEPARTMENT)**

The extent to which the municipality complies with the legislative requirement of the MFMA:

- Percentage of Expenditure on capital and grant funded programmes. The percentage of capital budget and grant funded spent on the programmes was forwarded to the Municipal manager by 30 June 2013.
- Quarterly expenditure reports are submitted to the MM within 10 days of each quarter.
- 100% of the budget is linked to the IDP
- Suppliers are paid within 30 days of the statement date
- The asset register is in place and the asserts are currently being bar coded
- Monthly budget reports are submitted to the Municipal Manager.
- The municipality received Unqualified audit outcome form the Auditor General for the financial year 2011/12.
- Draft Annual Report was prepared and tabled to EXCO in January 2013

- Preparation for 2013/14 budget commenced in the second quarter. All departments submitted their budgets by the 21 December 2012
- Draft Budget and IDP 2013/2014 submitted to Treasury in April 2013
- Schedule A forms were finalized for submission to treasury in May 2013
- Preparation for financial statements are in progress
- Final Budget and IDP 2013/2014 submitted to Council on the 29<sup>th</sup> May 2013 and advertised in line with the legislation.
- The annual returns section 71 report is submitted monthly to Auditor General.
- Monthly Conditional Reports are submitted
- Quarterly dashboard reports are done
- Auditing was undertaken during the first quarter in line with the annual audit programme
- Achievements of the MFMA checklist is at 80%
- Assisting Internal Auditors and Audit Committee in progress

## **2: BASIC SERVICE DELIVERY (TECHNICAL DEPARTMENT)**

### **1. ACCESS ROADS**

#### **To provide a better Local access Road network:**

2012/2013 financial year allocation is R 26,665,000.00, which will be utilised to construct 5 new roads, complete Mbubeni and Simelane 2, complete Shiyane sport field and construct phase 1 of Pomeroy sport center. All projects are registered with MIS system. Claims and proofs of payments are submitted timeously, the system is also updated accordingly as required.

2013/2014 allocation is R 28 128 000.00. The allocation is fully committed with Pomeroy Sportfield phase 2, Kwa-Sishi, Gidamasoka, Mumbé, Nsimbini and Ncence access roads. The business plans for all these projects have been submitted and registered with MIG. PMU Officer is currently busy registering projects for 2014/2015 financial year with the total allocation of R 29 754 000.00

The municipality implemented 11 access roads this financial year. The project on each road was follows:

- 1. Simelane Phase 2:** The project is funded through MIG. It started towards the end of last financial year. The project is complete.

2. **Mbubeni Access road:** the project is MIG funded. It was supposed to be completed latest by July 2012 but due to the slow pace by the contractor because of the earthworks within that road, it had delay the contractor was penalised. The project is finished.
3. **Nembeni Access Road and Related Storm water:** The project is funded through MIG and the total length is 5.1km. The contractor by the name of Magnacop has been appointed and the site handover was done on the 24 August 2012. The total revised budget for this project is R 4,061,715.30. The contractor has established on site and construction is at 95%.
4. **Mahhashini Access Road and Related Stormwater:** The project is funded through MIG and the total length is 3.4km. The contractor by the name of Platt Plant Services was appointed and the site handover was done on the 28 August 2012. The total revised budget for this project is R3,628,368.10. The project is complete.
5. **Sthozini Access Road and Related Stormwater:** The project is funded through MIG and the total length is 8 km. The contractor by the name of Magnacop was appointed and the site handover was done on the 24 August 2012. The total revised budget for this project is R 5,298,485.10. Construction is complete.
6. **Ntabampisi Access Road and Related Stormwater:** the project is also funded through MIG with the total length of 8km. The tender committee appointed the contractor Skotini Investment. The construction is at 70%.
7. **Ngqungqulwini Access Road and Related Stormwater:** this project is also one of MIG projects. Project is at 95% currently.
8. **Nsimbini access road is complete, Mbubu access road is at 95% complete, Nokwentane access road is at 75% complete, Esjozini irrigation scheme access roads is also at 95% complete:** these projects are funded internally through the municipal equitable share.
9. **Roads Maintenance:** The two weeks per ward programme is going slow due to major breakdowns challenges the municipality is phasing. They are currently in ward 13.
10. **With regard to the purchase of new equipment,** Barloworld equipment was appointed to supply Grader and the Roller. The equipment was supplied.

## 2. **ELECTRICITY PROJECTS**

**OBJECTIVE: To accelerate electrification of Msinga**

1. **Kwa-Dolo electrification project phase 3:** the project has been completed and all sections energised
2. **Madulaneni and Mathinta electrification project:** Both projects are complete and all sections are energised. Final payment has been done.
3. **Progress regarding the refurbishment of 3 high mast lights and Tugela Ferry street lights:**
  - The Tugela ferry streetlights have been done as and when required

- The municipality is still trying to source funding towards the refurbishment of the 3 Mast lights.

### 3. SPORTS FACILITIES

**OBJECTIVE:** To reduce sporting facilities backlog within the municipal area.

1. **Gxobanyawo Sport field:** the project is funded by Department of Sports and Recreation with a total amount of R 2,100,000.00. The project is complete.
2. **Shiyane Sport field:** the project is funded through MIG with a total sum of R 4,000,000.00. The plan was to spend about 2million (MIG budget) during 2011/2012 financial year and another 2million during 2012/2013 financial year. New contractor is on site. Platform levelling has been completed; buildings are at wall plate level. The project is 80% complete. The project is behind schedule due to slow progress by the main contractor who has been compelled to subcontract to accelerate the project.
3. **Pomeroy Sport Center:** the total value of this project is estimated at R 14million. The project has just been approved and registered on MIG MIS system. Consulting engineers were appointed to start with the design of the project during the first quarter. The layout plan and designs have been done. The project is behind schedule due to the fact that the first contractor which was appointed declined and the committee had to recommend another service provider to implement the project.
4. **Sport facilities;** the objective is to maintain all existing sports facilities. 7 sports facilities are maintained; Pomeroy, Fabeni, Ezindluzeleni, Nyoniyezwe, Mzisho, Ehlanzeni and Gxobanyawo. R150,000.00 was the approved budget. Maintainance is in progress and monthly reports are produced. Expenditure to date is at R168,000 000.

### 4. CRECHES/SCHOOL CLASSROOMS/HOUSES

1. 16 creches completed,
2. 6 four roomed houses,
3. 6 two roomed houses,
4. 8 classrooms,
5. and one community hall have been successfully completed.

### 5. WASTE MANAGEMENT

**OBJECTIVE:** To ensure effective management of waste

In the past financial years, the municipality has not been prioritising waste management function which has led to a lot of infrastructure backlog in this field. It is recommended that the municipality prioritise waste management so as to take care of the environment and comply with legislations and national targets.

1. **Intergraded Waste Management Plan (IWMP):** the budget to establish IWMP has been approved by council. The terms of reference were finalized by the Technical Department. Tender for the appointment of service provider to prepare the plan was advertised. The IWMP is currently in progress it was delayed due to lack of information to be used by service providers.
2. **Waste Management officer was advertised and the post is filled**
3. **Street Cleaning:** 2 contractors were appointed to clean the streets of Pomeroy and Tugela Ferry. Over and above them COGTA together with the municipality has initiated a food for waste programme to assist in cleaning our small towns. The towns involved are Tugela Ferry, Pomeroy and Keats Drift, of which more than 33 people are working in each town through this programme. The towns are cleaned daily and waste is transported to Pomeroy landfill site daily afternoon.
4. The Waste Management Officer has started working on the town cleaning programmes with a purpose of improving the service rendered. Solid waste collection and disposal is on going
5. The Maintenance of Pomeroy landfill site has started however the recycling structure will commence in 2013/2014 financial year.

## **6. HOUSING PROJECTS (DEVELOPMENT PLANNING)**

There are 6 housing projects that are fully funded by the Department of Human Settlements.

**OBJECTIVE:** To provide safe and sustainable living environment and to accelerate development of rural housing.

1. **Pomeroy housing:** Stage two applications being finalized. More than 450 beneficiaries have been approved. Pomeroy Construction will start after the PDA submitted to the Municipality has been signed.
2. **Latha housing:** KwaLatha is in construction stage. The IA was fired for poor performance. New constructor has been appointed and will start construction in August.
3. **Ezibomvini housing:** Stage one approved and Stage two is being finalised. Ezibomvini is finalising the beneficiary list
4. **Dolo housing:** Stage one compilation. KwaDolo has a problem of land claim, department of Rural Development and Land reform has to facilitate the ownership of the land issue.



**5. Mthembu housing:** Stage two submitted and has been approved and the MEC has signed. The contract between implementing agent and contractor has been signed. Construction to commence in August 2013

**6. Mvundlweni housing:** Construction Mvundlweni has started and progress is currently at:

- Foundations-439
- Wall plate- 386
- Completed- 341
- Rain Water Harvesting- 215

**7.** Housing forum meetings are held once after two months.

## **7. DISASTER MANAGEMENT**

The intention here is to prevent disasters from happening by providing effective fire fighting, putting in place fire safety activities, by preventing potential fire hazards and through educating the public.

Objective: To Practice life safety, incident stabilization and property conservation

Objective: To provide safe physical environment in which to live, work, study, worship, or play.

- Most of the areas of Msinga were hit by disasters in the month of January. The assessment was done immediately. 3 people lost their lives through lightning and many houses were destroyed by strong winds.
- On 11 February, heavy rain resulted in flooding and houses wash away in ward 5. People who were left homeless were given shelter in the municipal buildings until the temporary structures were allocated to them by the province. About 40 people were without shelter and 6 were reported missing. The co ordinated effort by the local. District and province resulted in these victims being assisted.
- An on going function. In the month of January, three incidents of fire were reported where the houses were on fire. In all three incidents, the team managed to extinguish the fire before it can completely damage the structures.
- In the month of February, two separate incidents of fire were reported. Two houses were burnt and one person was burnt to death in the house. The team extinguished the fire but buildings were already destroyed completely.
- In the month of March, three incidents reported, one veld fire and two houses on fire. Fire was extinguished. An on going function. In the month of January, three incidents of fire were reported where the houses wre on fire. In all three incidents, the team managed to extinguish the fire before it can completely damage the structures.

- The team attended to a road accident on 20 March involving two vehicles where one pupil lost his life and 7 injured. They provided necessary assistance and used the jaws of life to rescue the other driver.
- During the months of April, May and June no disaster incidence were reported.
- Fire incidences were attended in May 2013 in wrad 1,5,10,11,15,16,17,18. The fire service attended to all these incidences, though not much could be saved as the areas are located very far.
- One road accident was attended in the fourth quarter.

challenges experienced include water point , and the area to be covered is too wide, access to the affected area, communications break down due to the network problem and lack of road signs some on the road.

## **8. HEALTH**

### **Programme: HIV/AIDS reduction**

Objective:Reduction of HIV infection among the Community.

Undertaking of HIV Campaigns targeting schools and Community and training of Ward AIDS Committees.

Campaigns are done every Thursday since November 2012. Ward aids committees have not been trained,logistics are been finalised.

The quarterly meeting of the Local Aids Council was held on 19 February. Government departments gave their reports in the meeting.

Local aids council met on the 28<sup>th</sup> May 2013. On the 05 June 2013 people living with HIV were transported to attend the International Candle lighting .

### **Programme: Pauper burials**

Objective:Provide dignified burial function for Pauper destitute families. A total of 137 families have been assisted with coffins or food vouchers. Budget constraint number of coffins allowed in a month is too low (only one coffin)

A total of 137 families were assisted with coffins.

### **Programme: people living with disabilities**

To accommodate people with disabilities and make them benefit from Municipal Services. Hosting of the Municipal Summit for people with disabilities. The summit for the disabled is at a planning stage. People living with disabilities were transported to attend two meetings one in Durban and Ixopo.

### **Programme: Building of the Animal Pound**

Objective: To create a safe environment along our roads by remove stray animals and be put at the pound.

Concluding a contract with the appointed Service provider has proven to be a challenge. A lot of time has been spent trying to finalise and agree on the contract. Contract has been signed by the municipality and waiting for the contractor to come and sign before he could start with work.

### **Programme: Youth development**

#### **a) bursaries**

Objective : To help Msinga youth get tertiary qualification. Provide financial assistance to the financial needy and academically deserving students with a registration fee at a tertiary level.

A total of 68 students were assisted with the registration fees at different tertiary institutions.

Scholars from ward 13 were assisted with school uniforms.

In the fourth quarter 03 students were assisted with bursaries.

#### **Computer training**

Objective : To improve the computer skills among the youth of Msinga.

Strategy: Send at least two pupils in a year from each ward to a 6 months computer course

A total of 32 learners from ward, 05, 11 and 15 were assisted to do computer course

#### **b) internship**

objective: To help youth gain work experience and make them employable. Employment of one volunteer from each ward for a period of a year and get paid R1500 per month. R342 000 is budgeted for this objective. It is on-going and all wards have participated.

#### **c) Youth businesses**

Objective: To assist youth to start their own businesses.

Allocation of R30 000 per ward to help youth start their own projects that can help to generate income. Assisting youth with different projects of their choice which the approval is at the discretion of the ward committee. R570 000 annual budgets was allocated. All wards successfully spent their allocation in the year 2012/13.

## **11. SPORTS AND RECREATION**

The objective is to encourage Community participation in sporting activities.

### **Programme1: Msinga Local Football Association.**

Msinga top and Pomeroy stream has started 2012/13 league games. Failure to participate by Keates Drift Stream, Tugela Ferry and Mhlangana is the challenge that has been noted.

Meeting was held with sports council to facilitate the starting of Msinga soccer league games. It looks like teams are not interested in the games this year and to date no record of any stream has started with their games.

## **Programme 2: Promotion of Indigenous**

Provincial Indigenous games competition. Selections for participation in District games. The youth from Msinga were selected as part of the Mzinyathi team to take in the provincial games.

**Programme3:** SALGA Games were attended successfully and everything in the **games** was well planned.

**Programme 4: Promotion of recreational activities on public holidays.** Ongoing, specific activity on specific public holidays. Praise songs celebration was held on June 16 2012 and ibhayi ( traditional dance) was held on the 24 September as part of the Heritage day , on the 09 of August 2012 as part of women's day celebration and on the 13<sup>th</sup> of December 2012 isicathamiya was held at Pomeroy.

**Programme 5: Promotion of good life skills among young women and abstinence from sexual activities.** Women participation in provincial Reed Dance, Maidens attended Umhlanga in September 2012

## **3. LOCAL ECONOMIC DEVELOPMENT & SOCIAL DEVELOPMENT**

### **12. LED STRATEGY**

Objective: to submit the LED strategy to council for adoption.

The municipal LED strategy 2011/2012 was funded through the grant from the Department of Cooperative Governance and Traditional Affairs. It was completed and recommended for adoption by EXCO.

Objective: to implement Vegetable Processing Plant Project. The site has been confirmed and the Project Manager has been appointed.

Progress in implementing the LED strategy: Meetings have been held with different government departments to finalise the drawings. A tour was organised to look at one operational structure in Howick with the hope that it will help in the finalisation of the drawings.

An LED officer was appointed to assist with the implementation of the strategy

Progress with the development of a Tourism plan: Plans to revive the Community Tourism Organisation are underway. Funding towards the development of the plan has not been sourced.

### **13. STRATEGIC & SPATIAL PLANING**

The objective is to prepare the Integrated Development Plan in line with the Municipal System Act.

1. The process plan 2012/13-18 was adopted by Msinga council on the 26 September 2012. The process plan was advertised in line with the Municipal systems act chapter 4. The Process Plan was forwarded to DCOGTA.
2. The first IDP forum was held on the 16 October 2012, second forum was held on the 5<sup>th</sup> of March 2013, third was held on the 30<sup>th</sup> of April 2013 in line with the adopted Process Plan.
3. The Draft IDP was submitted for adoption to EXCO and Council in March and submitted to DCOGTA on the 28<sup>th</sup> March 2013.
4. The final IDP& Budget 2013/2014 was adopted by Msinga council on the 29<sup>th</sup> May 2013 and submitted to DCOGTA on the 14<sup>th</sup> June 2013
5. Municipal SDBIP 2013/2014 was prepared and tabled to council in June 2013
6. It was advertised and placed on municipal website along with the municipal SDBIP 2013/14
7. Monthly reports from Corporate Services, Development Planning and Technical Services and Finance were submitted to the Municipal Manager 10 days after end of the month.
8. The municipality has secured funding for the development of a Precinct Plan for Pomeroy. The plan is underway.
9. The municipal SDF and Keates Drift Precinct draft reports have been completed, and awaits to be presented to council.

#### **4. INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION**

##### **12. ADMINISTRATION**

1. The objective is to arrange council and committee meetings successfully.

Target: 12 Exco meetings were scheduled for 2012/2013

04 Full council meetings scheduled for 2012/2013

A total of twelve EXCO meetings and four full council meetings were held successfully

Four full council meetings were held and two special council

- I. Development Planning Sub-committee meeting held as follows:

2013-02-22

- II. Municipal Public Account Committee Meeting held as follows:-  
2013-02-04

2013-03-22

iii Audit Committee meetings held on as follows:-

2013-02-20,2013-03-20,2013-24-05,2013-06-19

III. Technical Services Sub-committee meetings held as follow:

2013-02-15, 2013-06-14

IV. Finance Sub-committee meetings held as follows:

2013-03-13,2013-06-14

2. The objective was to fill and sign declaration interest forms for employees and councillors

- Declaration of interest for 2012/2013 were completed in 30 September 2012.
- Declaration of interest forms for 2012/2013 in progress of being signed complete

3. The objective is to prepare the Mayor's speeches two days in advance.

- This objective is met, speech is prepared and submitted on time. Draft Mayor's speeches are prepared and submitted to the MM for approval at least three days before the event
- Eleven Izimbizo were held in the last quarter, a total of 37 Izimbizo were held for the 2012/13 financial year

4. Turnaround time taken in filling of vacant posts as approved by council

- The following budgeted vacancies filled: Building Inspector, Administration Clerk, Cashier, Waste Control Officer, Roller Operator, Motor Grade Operator, Senior Fire Fighter, LED Officer, Disaster Management Officer
- All vacant and advertised posts have been filled.

5. Progress made with the revision and implementation of the Employment equity plan (EEP) 2012/2013.

- EEP signed and submitted to the Department of Labour in 30 November 2012
- Employment practice in relation to numerical goals of the EEP.
- Five year Employment Equity Plan to be completed and submitted by March 2013.
- Employment Equity Report to be submitted online

6. Revised and updated HR practices and uniform policies

- Policies and practices are developed and met as and when need arises.

#### 7. Progress made with the revision and implementation of Workplace Skills Plan

- WSP submitted to LGSETA
- WSP is implemented on an on-going process

#### 8. Number of vacancies on the approved organogram budgeted and filled

- 100% filled vacancies in the organogram budgeted and filled except the artisan plumber post

#### 9. Progress made regarding the functioning of the Local Labour Forum

- Local Labour Forum established. meetings not yet held due to non submission of items

#### 10. Progress made with personnel record administration

- Leave checked regularly by Director
- Personnel and administration records audited by internal auditors.

#### 11. Progress made towards efficient archiving and record systems

- Registry procedure Manual adopted
- Registry records manual adopted
- The promotion of access to information manual developed

#### 12. Update of the telephone and municipal website

- Update of telephones is 100%
- Municipal website updated by the 5<sup>th</sup> of each month. Content of the website update to be submitted to the MM for approval by the 30<sup>th</sup> of each month
- Municipal website is fully operational

#### 13. Progress made regarding the maintenance of council vehicles

- Expenditure report on motor vehicle and plant in place

#### 14. Level of compliance with MFMA and SCM

- Requisitions for all items purchase

#### 15. Quarterly departmental progress reports submitted to the MM and EXCO

- Progress made regarding the update of a resolutions register with proof of actions undertaken iro implementation.
- Monthly implementation reports submitted to the MM before the 30<sup>th</sup> of each month

16. Progress made with the implementation of the municipal funded programmes:

- Monthly implementation progress reports are submitted to the MM within 10 days of each month
- Monthly implementation reports submitted to EXCO on monthly basis

17. Progress made towards the renewal of departmental contracts

- Renewal of contracts is up to date

18. Progress made regarding utilization and maintenance of council properties

- Maintenance plan developed and implemented
- Reports submitted every month end to MM.

## **5.NKPA:GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

1. Progress made with hosting the Mayoral izimbizo

- 19 Mayoral Izimbizo planned, one (1) per ward. A total of 17 izimbizo have been held successfully
- 17 Mayoral Izimbizo for the tabulation of the budget have been successfully executed and logic arrangements successfully carried out
- Twelve (12) Mayoral Izimbizo for the tabulation of the budget have been successfully executed and logic arrangements successfully carried out.
- Eleven Izimbizo were held in the past quarter amounting to a total of 37 izimbizo held in the year 2012/2013

2. Progress achieved towards the Ward Committee trainings

- Training material for Ward Committee Member has been developed by COGTA.
- Council to appoint a Service Provider to appoint a service to undertake training.

3. Training of Ward Committee Members in each ward.



- Training progress report submitted to the Municipal Manager at the end of training.
- Council to appoint a Service Provider to appoint a service to undertake training

*Table for Scorecard*

TEMPLATE: NAME OF MUNICIPALITY: MSINGA													
IDP / SDB IP No.	National Key Performance Areas	Strategic Objective	Unit Of Measure/ Calculations	Demand	Baseline	Backlog	Previous Year		Current Year		Challenges	Corrective Measures	Portfolio of Evidence
Target	Actual	Target	Actual										
D	Municipal Transformation And Institutional Development	To develop staff skills in line with IDP	Number of staff trained						30	28			certificates
A	Basic Service Delivery And Infrastructure Development	To provide better access roads	Number of roads built				9	9	11 roads	11			Invoices. Hand over meetings
	Local Economic Development	To reduce poverty through LED	Develop a LED strategy				LED plan	0	1	1			EXCO resolution 2012/13
	Financial Viability And Financial Management	To increase revenue	Implementation of property rates act						1	1			

	Good Governance, Community Participation And Ward Committee Systems	Ensure public participation	Number of meetings held( full council/exco/izimbizo)		38	37	38 imbizo	38			Imbizo speeches and Minutes
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TEMPLATE: NAME OF MUNICIPALITY: MSINGA : BASIC SERVICES													
IDP / SDBIP No.	National Key Performance Areas	Strategic Objective	Unit Of Measure/ Calculations	Demand	Baseline	Backlog	Previous Year		Current Year		Challenges	Corrective Measures	Portfolio of Evidence
							Target	Actual	Target	Actual			
	BASIC SERVICE DELIVERY	To provide better access roads	Number of access roads completed				9	9	11	11			
			kilometers of roads maintained						40KM	40KM			
		To accelerate	Number of households electrified				1500	1300	600	600			



			provided										
		To ensure effective management of waste	Integrated waste management plan				0	0	1	0	Progress delayed due to lack of information		
		Street cleaning											
		Maintainance of Pomeroy landfill site					0	0	1	1			Progress reports
		To prevent disasters	Measures provided to counteract disaster incidents				0	All attended	0	All incidents attended	Some incidents are not to the extent of being labeled a disaster but are attended accordingly.  Challenges include water point, the area being too wide, the terrain, the network problems, the lack of road signs		Monthly reports
TEMPLATE: NAME OF MUNICIPALITY: MSINGA													
IDP / SDB IP No.	National Key Performance Areas	Strategic Objective	Unit Of Measure/ Calculations	Demand	Baseline	Bac klog	Previous Year		Current Year		Challenges	Correc tive Measu res	Portfolio of Evidence
							Target	Actual	Target	Actual			

		To reduce the effects of HIV	HIV campaigns, HIV council meetings					04: quarterly	4				reports
		To assist with burial	Number of families assisted						137				Monthly reports
		To assist youth with tertiary education	Number of students assisted					60	68				Monthly reports
		Computer training	Number of students received computer training					32	32				Monthly reports

TEMPLATE: NAME OF MUNICIPALITY: MSINGA													
IDP / SDBI P No.	National Key Performance Areas	Strategic Objective	Unit Of Measure/ Calculations	Demand	Baseline	Backlog	Previous Year		Current Year		Challenges	Corrective Measures	Portfolio of Evidence
							Target	Actual	Target	Actual			
		To assist youth with work experience	Number of youth receiving work experience				19	19	19	19			contracts
		To assist youth start businesses	Projects started						19	19			Invoice & reports
		To encourage sports	League games				6	3	6	0	Lack of interest in sports .Streams started late this year		
			Indigenous games						4	4			

			Recreational activities				4	04			
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TEMPLATE: NAME OF MUNICIPALITY: MSINGA													
IDP / SDBIP No.	National Key Performance Areas	Strategic Objective	Unit Of Measure/ Calculations	Demand	Baseline	Backlog	Previous Year		Current Year		Challenges	Corrective Measures	Portfolio of Evidence
							Target	Actual	Target	Actual			
			Promotion of good life skills				1	1	1	1			reports
		Submit LED strategy to council	resolution				0	0	1	1			DRAFT LED strategy
			Implement veg processing plant				0	0	1	1			



			Hire an LED officer				0	0	1	1			Appointment letter
TEMPLATE: NAME OF MUNICIPALITY: MSINGA													
ID P / SD BIP No .	National Key Performance Areas	Strategic Objective	Unit Of Measure/ Calculations	Dem and	Basel ine	Backlo g	Previous Year		Current Year		Challenges	Corr ectiv e Measures	Portfolio of Evidence
Target	Actual	Target	Actual										
		To develop a tourism plan	Progress towards the development of a Tourism plan				0	0	0	0	No funding		
		To prepare an IDP in line with MSA	Adopted IDP 2013/14 in May 2013				1	1	1	Adopted 29/05/13			
		To arrange council & committee meetings	Number of meetings held				0	0	26	11: committee meetings, 12 EXCO, 04 f-council			





- Disciplinary processes against Section 57 Managers;
- Employment Equity
- Human Resource Development Strategy
- Municipal Budget spent on implementing workplace skills plan
- Challenges experienced in municipal transformation and organizational development
- Measures taken to improve performance
- Recommendations (including assistance required)

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## Performance Management System

Table 1: PMS implementation in a municipality - 2012/13

[illegible]

Table 2: Linkage between IDP and SDBIP

Name		2010/11			2011/12			2012/13		
		IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP	IDP Framework/ Process Plan Approved	IDP adopted and Submitted	Is the IDP aligned to SDBIP
Umzinyathi DM	Y/N:	1	1		1	1	1			
	Date:									
Endumeni	Y/N:	1	1		1	1	1			
	Date:									
Nquthu	Y/N:	1	1		1	1	1			
	Date:									
Msinga	Y/N:	1	1		1	1	1	Y	Y	Y
	Date:							SEPTEMBER 2011	29 APRIL 2012	
Umvoti	Y/N:	1	1		1	1	0			
	Date:									
TOTAL		5	5	*	5	5	4			

Table 3: Filling of Section 56/7 Managers posts

	2010/11			2011/12			2012/13			Reasons for vacancies
	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies	No of posts approved	No of posts filled	No of vacancies	
Umzinyathi DM	6	5	1	6	6	0				
Endumeni	*	*	*	4	3	1				
Nquthu	5	5	0	5	5	0				
Msinga	*	*	*	6	5	1	6	6	0	
Umvoti	*	*	*	5	4	1				
TOTAL	11	10	1	26	23	3				

Table 4: Disciplinary processes against Section 56/7 Managers

	2010/11			2011/12			2012/13		
	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases	No of reported cases	No of pending cases	No of resolved cases
Umzinyathi DM									
Endumeni									
Nquthu									
Msinga							0	0	0
Umvoti									
TOTAL									

#### Compliance with the EEA

Table 5: Women appointments – Section 56/7 Managers

	2010/11			2011/12			2012/13		
	No. of Section 56/7 posts approved	Women appointed in Section 56/7 posts	No of vacancies for women Section 56/7 Managers	No. of Section 56/7 posts approved	Women appointed in Section 56/7 posts	No of vacancies for women Section 56/7 Managers	No. of Section 56/7 posts approved	Women appointed in Section 56/7 posts	No of vacancies for women Section 56/7 Managers
Umzinyathi DM									
Endumeni									
Nquthu									
Msinga	6	1	0	6	1	0	6	1	0
Umvoti									
TOTAL									

Table 6: Employment of people with disabilities (The entire Organization)



M	2010/11	2011/12	2012/13
---	---------	---------	---------

u n i c i p a l i t y	T o t a l n o . o f p e o p l e w i t h d i s a b i l i t i e s	N o . o f S e c t i o n 5 6 / 7 M a n g e r s w i t h d i s a b i l i t i e s	N o . o f v a c c a n c i e s / 7 o r p e r s o n n e l s w i t h d i s a b i l i t i e s	T o t a l n o . o f p e o p l e w i t h d i s a b i l i t i e s	N o . o f S e c t i o n 5 6 / 7 M a n g e r s w i t h d i s a b i l i t i e s	N o . o f v a c c a n c i e s / 7 o r p e r s o n n e l s w i t h d i s a b i l i t i e s	T o t a l n o . o f p e o p l e w i t h d i s a b i l i t i e s	N o . o f S e c t i o n 5 6 / 7 M a n g e r s w i t h d i s a b i l i t i e s	N o . o f v a c c a n c i e s / 7 o r p e r s o n n e l s w i t h d i s a b i l i t i e s
---	--	---	---	--	---	---	--	---	---

U m z i n y a t h i D M								
E n d u m e n i								
N q u t h u								
M s i n g a			1	0	0	2	1	0
U m								

V o t i									
T O T A L									

Table 7: Employment of employees that are aged 35 or younger (Whole Organization)

Municipality	No. and percentage:	2010/11			2011/12			2012/13		
		Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger	Total approved posts	No of posts occupied by staff aged 35 or younger	% of posts occupied by staff aged 35 or younger
Umzinyathi DM		6			5					
Endumeni					4					
Nquthu		5			5					
Msinga					6			67	38	60%
Umvoti					5					
TOTAL		11			25	1	4			

Table 8: Development and Implementation of specific HR policies and systems per municipality – 2012/13

[illegible]

[illegible]

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Table 9: Workplace Skills Plans submitted by municipalities

Municipality	Management level	2010/11		2011/12		2012/13	
		Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained	Total No of staff approved	No. of staff trained
	Councillors					37	37
	Senior Management level					5	5

	lower level employees					59	59
Technicians and professional						8	8
TOTAL						109	109

## Section 139 interventions

Table 10: Has the municipality been put under section 139 interventions. If YES, which year(s)

Municipality	2010/11	2011/12	2012/13
Umzinyathi DM	* Y/N:	*	
Endumeni			
Nquthu			
Msinga	N	N	N
Umvoti			
TOTAL			



### **KPA 1: Challenges**

- 1. The municipality had budgeted 1% towards the training of employees. The budgeted amount for the financial year was not enough to cover staff training needs.**
- 2. Performance has not been cascaded down to junior employees and not all structures are functional. Performance audit committee is in place and started functioning this financial year.**

### **KPA 1: Measures taken to improve performance**

- 1. Performance management is still at an infancy stage at Msinga municipality, structures are being put in place to ensure compliance with legislative requirements.**
- 2. In 2013/14 all staff will have to report monthly in line with their job descriptions and performance plans as performance management system is gradually being cascaded down to all employees.**
- 3. The municipality intends to get a Performance Management specialist through the District Shared services that will make sure that all mechanisms to improve performance are in place.**

### **KPA 1: Recommendations**



## *Key Performance Area 2:*

### **Basic Service Delivery**

---

**This KPA will cover the following areas:**

- Introduction
  - Progress
    - Access to Free Basic Services
      - Water
      - Sanitation
      - Electricity
      - Refuse removal
    - Access to Basic Services
      - Water provision
      - Waste Water
      - Electricity
      - Waste management
      - Housing
    - Bucket System Eradication
    - Indigent Policy implementation
    - Roads and Transport
      - Infrastructure
      - Transport (vehicle registrations
      - Public bus transportation
      -
  - Challenges experienced in basic service delivery (indicate specific municipalities)
  - Measures taken to improve performance
  - Recommendations
-

**Table 11: Access to basic services for each municipality**

Municipality	2010/11										2011/12										2012/13						
	Housing		Water (on site)		Sanitation		Refuse removal		Electricity (in house)		Housing		Water (on site)		Sanitation		Refuse removal		Electricity (in house)		Housing		Water (on site)		Sanitation		
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Umzinyathi DM																											
Endumeni																											
Nquthu																											
Msinga											500	83	0	0	0	0	0	0	1300	1500	500	380					
Umvoti																											
TOTAL																											

Housing Backlogs =21694

Sanitation Backlogs =28549

Water supply Backlogs =30,325

Electricity Backlogs = **29726**

Table 12: Blue Drop Water Certification per province (Applicable to Water Service Authorities)

Municipality	2010/11		2011/12		2012/13	
	Did the municipality receive a blue drop certification?	If not, state the reason	Did the municipality receive a blue drop certification?	If not, state the reason	Did the municipality receive a blue drop certification?	If not, state the reason
Y/N and reason						

## MUNICIPAL INFRASTRUCTURE GRANT (MIG) EXPENDITURE

**Table 13: Total grants, donations and contributions received per municipality**

[illegible]

### Indigent Policy implementation with regard to provision of free basic services

Table 14: Indigent Policies and Registers

[illegible]

	Date:									
Msinga	Y/N				Y	Y	N	Y	Y	N
	Date:									
Umvoti	Y/N									
	Date:									
TOTAL										

Table 15: Status on the provision of free basic services by municipalities (2012/13)

Municipality  (No. of H/holds and units)	Electricity		Water		Sanitation		Refuse removal	
	No of indigent households receiving free service	Units per household (kwh)	No of indigent households receiving free service	Units per house-hold (kl)	No of indigent households receiving free service	Units/ R value pm per house- hold	No of indigent households receiving free service	Units/ R value pm per house-hold
Umzinyathi DM								
Endumeni								
Nquthu								
Msinga	2645	solar	0	0	0	0	0	0
Umvoti								
TOTAL								

## **KPA 2: Challenges**

1. The municipality does not have a plan that quantifies the required amount of infrastructure( Comprehensive Infrastructure Plan) hence it is difficult to state accurately how many kilometers of roads are required.
2. Housing projects have different challenges that are causing delays such as implementing agents not submitting applications on time, land ownership issues and the process seem to be taking longer than expected.

## **KPA 2: Measures taken to improve performance**

- 1.The municipality is trying to find financial assistance for the preparation of its CIP.
2. the Housing project is run by the department of Human Settlement and to accelerate housing provision the department has decentralized and has officers located at a district level.



## KPA 2: Recommendations

## *Key Performance Area 3:*

### **Local Economic Development**

---

**This KPA will cover the following areas:**

- Introduction
- Progress
  - No. of jobs created through infrastructure capital projects (*this should include Previously Disadvantaged Individuals*)
  - Development and implementation of LED strategies and plans
  - Capacity for implementing LED in municipalities
- Challenges experiences in local economic development (indicate specific municipalities)
- Measures taken to improve performance
- Recommendations

Table 16: Municipalities with adopted and implemented LED strategies

Municipality		2010/11			2011/12			2012/13			Reasons for no strategy in place
		LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	LED strategy reviewed/ developed	LED strategy approved	LED strategy implemented	
Umzinyathi DM	Y/N					*					
	Date:										
Endumeni	Y/N										
	Date:										
Nquthu	Y/N										
	Date:										
Msinga	Y/N				Y	N	N	Y	Y BY EXCO ONLY	Y	To be adopted in 2013/14
	Date:										
Umvoti	Y/N										
	Date:										
TOTAL											

Table 17: Capacity of municipalities to implement LED

Municipality	2010/11		2011/12		2012/13	
	No of posts approved	No of filled posts	No of posts approved	No of filled posts	No of posts approved	No of filled posts
					1	1

**No. of jobs created through municipalities’ local economic development initiatives, including capital projects**

The purpose of this indicator is to assess and reveal the extent to which municipalities contribute towards creating jobs through the implementation of capital projects, as well as their own LED initiatives.

Figure 18: No. of jobs created per Municipality

Municipality	2010/11			2011/12			2012/13		
	No. of jobs created through EPWP	No. of jobs created through CWP	No. of jobs created for Co-operatives	No. of jobs created through EPWP	No. of jobs created through CWP	No. of jobs created for Co-operatives	No. of jobs created through EPWP	No. of jobs created through CWP	No. of jobs created for Co-operatives
No.:	*						394	100	

Table 19: EPWP implementation per Municipality (2012/13)

Municipality	Person-years of work including training	Person-Years of training	Gross No. of work opportunities created	% of youth	% of women	% of people with disabilities
No. and percentage		0	394	0	100%	0

### **KPA 3: Challenges**

### **KPA 3: Measures taken to improve performance**

### **KPA 3: Recommendations**

## *Key Performance Area 4:*

### **Municipal Financial Viability and Management**

---

**This KPA consists of the following areas:**

- Introduction
- Financial viability
- Capital expenditure by municipalities
- Compliance with the MFMA
- Municipal budgets, expenditure and revenue sources
- Financial viability defined in terms of debt coverage, outstanding debtors to revenue and cost coverage by h municipality
- Challenges experiences in municipal financial viability (indicate specific municipalities)
- Measures taken to improve performance
- Recommendations

### Capital Expenditure by Municipality

Table 20: Performance against budget by municipalities

	Budget approved	Revenue	Expenditure	Budget approved	Revenue	Expenditure	Budget approved	Revenue	Expenditure
<b>Rands:</b>	*	*	*	*	*	*	<b>R31 065 000</b>	<b>R99 302 000</b>	<b>R72 201 733</b>

Table 21: Total grants, donations and contributions received

Municipality	2010/11			2011/12			2012/13		
	Total donations, grants and contributions available	Total spent	% expenditure	Total donations, grants and contributions available	Total spent	% expenditure	Total donations, grants and contributions available	Total spent	% expenditure
Rands and percentage					*	*	R37 203 300	R35 469 005	

Table 22: A-G Opinion

Municipality	Audit Opinion 2009/10				Audit Opinion 2010/11				Audit Opinion 2011/12			
	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse	Unqualified	Qualified	Disclaimer	Adverse
	✓				✓				✓			

## Financial Viability

Table 23: Outstanding debt and debt management

Municipality	2010/11				2011/12				2012/13			
	Water & Electricity	Sewerage & Refuse	Housing	Other	Water & Electricity	Sewerage & Refuse	Housing	Other	Water & Electricity	Sewerage & Refuse	Housing	Other
Rands:									-	-	-	-

Table 24: Development of Revenue Enhancement Strategy

Municipality	2010/11			2011/12			2012/13		
	Strategy Reviewed /developed	Strategy implemented	Has the Revenue improved?	Strategy Reviewed /developed	Strategy implemented	Has the Revenue improved?	Strategy Reviewed /developed	Strategy implemented	Has the Revenue improved?
Y/N:							N/A		

Date:									
-------	--	--	--	--	--	--	--	--	--

#### **KPA 4: Challenges**

**Msinga is 100% Ingonyama Trust Land**

**has no Debtors Clerk**

**Tariff policy**

**Bylaws**

#### **KPA 4: Measures taken to improve performance**

**We have appointed a debtors clerk**

**Tariff Policy has been implemented**

**Bylaws have been adopted**

**Tariffs will be loaded on dolphin system as soon as write offs have been done**



#### **KPA 4: Recommendations**

**This financial year we intend to have the implementation up and running**

## *Key Performance Area 5:*

### **Good Governance and Public Participation**

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**This KPA, consists of the following areas:**

- Introduction
- Progress
- Ward Committees
- Deployment of community Development workers
- Intergovernmental relations
- Anti-corruption
- Traditional leadership
- Presidential and Ministerial Izimbizo
- Standard operating procedures and delegations
- Challenges experiences in good governance and public participation (indicate specific municipalities)
- Measures taken to improve performance
- Recommendations

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### Table 25: Functionality of Ward Committees

Municipality	2010/11		2011/12		2012/13	
	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees	No. of functional Ward Committees	% of functional Ward Committees
No. and percentage:			190	80%	190	80%

Table 26: Total No. of deployed CDW's per municipality

Municipality	2010/11		2011/12		2012/13	
	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards	No of CDW posts approved	No of CDW's deployed to wards
No.:			19	15	19	19

Table 27: Good governance indicators as at June 2013

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened					No. of meetings where quorum was <u>not</u> achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Municipal Management	IDP Reps	Council	Executive mayoral committee				
Y/N	y	y	y	5	12	10	4	2	0	0	y	y	y	0
Date - if applicable													September 2012	

## Anti-corruption

Table 28: Progress on the implementation of anti-corruption strategies by municipalities

Municipality	2010/11			2011/12			2012/13		
	Anti-corruption Plan compiled	Has Council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Has Council adopted the Anti-corruption Plan	Anti-corruption Plan implemented	Anti-corruption Plan compiled	Has Council adopted the Anti-corruption Plan	Anti-corruption Plan implemented
Y/N:							Y	Y	Y

Date:									
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Table 29: Mayoral Izimbizo (include any Presidential, Premier or Ministerial Imbizo held in the municipal area over the past 3 years)

Municipality	2010/11			2011/12			2012/13		
	No of Izimbizo's	Challenges	Resolutions	No of Izimbizo's	Challenges	Resolutions	No of Izimbizo's	Challenges	Resolutions
No.:					37	resolved	38	NONE	

**Challenges and concerns raised at Izimbizo meetings:**

**There are no concerns raised at izimbizo except that the community is always requesting basic services ( water and electricity) which although the municipality is trying to accelerate the pace at which such services are delivered the backlog is still huge.**

## KPA 5: Challenges

## KPA 5: Measures taken to improve performance

## KPA 5: Recommendations

### Cross Cutting Interventions

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#### Disaster management

- Introduction
- Progress in the implementation of Disaster Management Act
- Challenges experienced in the implementation of the disaster management
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

#### Realigned municipality

- Introduction
- Municipalities affected in realignment per province
- Progress of the re-alignment
- Challenges experienced in the implementation of the re-alignment process
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.

#### Urban and Rural nodes

- Introduction
- Challenges experienced in the urban and rural nodes
- Progress in the implementation of urban and rural nodes
- Challenges experienced in the implementation of the urban and rural nodes
- Support by Provincial Departments of Local Government and the **COGTA**
- Impact of support by stakeholders.



Table 30: Development, submission and implementation rate of SDF's

Municipality	2010/11			2011/12			2012/13			Reasons
	SDFs approved	SDFs submitted	SDFs Implemented	SDFs approved	SDFs submitted	SDFs Implemented	SDFs approved	SDFs submitted	SDFs Implemented	
Y/N							N	N	N	
Date										

**SDFs: Challenges**

The municipality did not have an adopted SDF that reflected the current IDP priorities. The municipality with the assistance of consultants embarked on a project to review the SDF in 2012 , the SDF is currently in a draft format and awaits approval by council. The SDF should have been presented to council along with the IDP 2013/14 but was not presented because government departments have not given their comments on the plan. Attempts to get a stakeholders meeting where the SDF will be discussed in details has failed to sit.

**SDFs: Interventions**

Msinga municipality requested assistance from the Department of Rural Development, the department funded the municipal SDF in 2011/12. The municipality asked the department to lead discussions with other stakeholders to ensure an agreement is reached.

**SDFs: Recommendations**

Table 31: State of readiness on National Disaster implementation per Municipality (Y/N and Date)

2010/11				2011/12				2012/13			
									N		

**Disaster Management: Challenges**

Challenges experienced include water point , and the area to be covered is too wide, access to the affected area, communications break down due to the network problem and lack of road signs some on the road.



## **Disaster Management: Interventions**

The intention here is to prevent disasters from happening by providing effective fire fighting, putting in place fire safety activities, by preventing potential fire hazards and through educating the public.

Objective: To Practice life safety, incident stabilization and property conservation

Objective: To provide safe physical environment in which to live, work, study, worship, or play.

- Most of the areas of Msinga were hit by disasters in the month of January. The assessment was done immediately. 3 people lost their lives through lightning and many houses were destroyed by strong winds.
- On 11 February, heavy rain resulted in flooding and houses wash away in ward 5. People who were left homeless were given shelter in the municipal buildings until the temporary structures were allocated to them by the province. About 40 people were without shelter and 6 were reported missing. The co ordinated effort by the local. District and province resulted in these victims being assisted.
- An on going function. In the month of January, three incidents of fire were reported where the houses were on fire. In all three incidents, the team managed to extinguish the fire before it can completely damage the structures.
- In the month of February, two separate incidents of fire were reported. Two houses were burnt and one person was burnt to death in the house. The team extinguished the fire but buildings were already destroyed completely.
- In the month of March, three incidents reported, one veld fire and two houses on fire. Fire was extinguished. An on going function. In the month of January, three incidents of fire were reported where the houses wre on fire. In all three incidents, the team managed to extinguish the fire before it can completely damage the structures.
- The team attended to a road accident on 20 March involving two vehicles where one pupil lost his life and 7 injured. They provided necessary assistance and used the jaws of life to rescue the other driver.
- During the months of April, May and June no disaster incidence were reported.
- Fire incidences were attended in May 2013 in wrad 1,5,10,11,15,16,17,18. The fire service attended to all these incidences, though not much could be saved as the areas are located very far.
- One road accident was attended in the fourth quarter.

challenges experienced include water point , and the area to be covered is too wide, access to the affected area, communications break down due to the network problem and lack of road signs some on the road.

**Disaster Management Plan is currently being prepared which will highlight areas that are considered vulnerable and devise counteractive mechanisms. The additional emergency car was purchased .**

**Disaster Management: Recommendations**

# PERFORMANCE ASSESSMENT AND EVALUATION

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## Summary of assessment results per KPA and per Municipality

**Table 32: Other Highlights of Municipal Performance by KPA**

Municipality	Focus Area	Highlights
Municipality	KPA 1: Municipal Transformation and Organisational Development	
	KPA 2: Basic Service Delivery	
	KPA 3: Local Economic Development	
	KPA 4: Municipal Financial Viability and Management	
	KPA 5: Good Governance and Public Participation	
	Cross Cutting Intervention	

**Table 33: Areas of under-performance per KPA**

Municipality	Focus Area	Under-performance
Municipality	KPA 1: Municipal Transformation and Organisational Development	
	KPA 2: Basic Service Delivery	Electricity projects are delayed due to ESKOMs not approving designs on time.
	KPA 3: Local Economic Development	
	KPA 4: Municipal Financial Viability and Management	
	KPA 5: Good Governance and Public Participation	
	Cross Cutting Intervention	

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## CONCLUSION